

City of La Mesa General Plan

Housing Element

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

AUG 22 2003

UNIVERSITY OF CALIFORNIA



Adopted September 14, 1999
Amended September 25, 2001

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Division of Housing Policy Development

20 Third Street, Suite 430
P.O. Box 952053
Sacramento, CA 94252-2053
http://housing.hcd.ca.gov
(916) 323-3176
FAX: (916) 327-2643



October 9, 2001

RECEIVED
OCT 15 2001
CITY OF LA MESA
COMMUNITY DEV. DEPT

Mr. David Wear, City Manager
City of La Mesa
8130 Allison Avenue
Post Office Box 937
La Mesa, California 91944-0937

Dear Mr. Wear:

Re: Review of the City of La Mesa's Adopted Housing Element as Amended

Thank you for submitting La Mesa's housing element update, amended September 25, 2001, and received for review October 2, 2001. We have reviewed the amended element, pursuant to Government Code Section 65585(h).

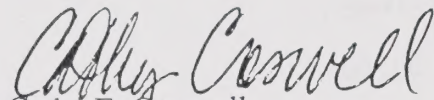
We are pleased to find La Mesa's housing element, as amended, in full compliance with State housing element law (Article 10.6 of the Government Code). We look forward to following the City's continued progress in implementing the housing element in annual reports required by Government Code Section 65400.

We encourage the City to review the requirements of the Jobs-Housing Balance Improvement Program (enclosed) that provides grants to local governments that increase housing supply and have a housing element in compliance with State law. Funds from this Program can be used for any project, service, or other local need determined to be in the community's best interest, such as neighborhood park facilities, bike paths and community centers.

We commend the City for its commitment to addressing local housing needs and for promoting housing element law and for ensuring efficient housing development in the downtown area. We also wish the City success in implementing its Downtown Rebound Program planning grant. We thank your staff for their cooperation and assistance during the course of our review. Again, if we can be of any assistance in implementing the planning grant, the housing element or City policies please contact Camilla Cleary, of my staff, at (916) 323-3185.

In accordance with requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosure

cc: Rachel A. Hurst, Director of Housing and Redevelopment
Doug Matter, Fire Chief, City of La Mesa
Mark Stivers, Senate Committee on Housing & Community Development
Catherine Ysrael, Supervising Deputy Attorney General, AG's Office
Terry Roberts, Governor's Office of Planning and Research
Kimberley Dellinger, California Building Industry Association
Marcia Salkin, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Weiner, California Coalition for Rural Housing
John Douglas, AICP, The Planning Center
Dara Schur, Western Center on Law and Poverty
Alexander Abbe, Attorney at Law
Patricia Rutledge, Community Development Program Specialist
Susan Baldwin, San Diego Association of Governments
Catherine A. Rodman, San Diego Friends of Legal Aid
Jeffrey Francis, California Public Interest Research Group
Jose Rodriguez, California Rural Legal Assistance
Claudia Smith, California Rural Legal Assistance
Frank Landerville, Regional Task Force on the Homeless
Howard Stacklin
Ann Fathy, Attorney at Law

Table of Contents

Section	Page
Introduction	1
State Policy and Authorization	3
Organization of the Housing Element	4
Relationship to Other General Plan Elements	5
Public Participation	5
Sources of Information	5
Background Information	6
Population Characteristics	6
Household Characteristics	8
Employment	14
Housing Stock Characteristics	15
Assisted Housing Units At Risk of Converting to Market Rate	22
Constraints on Housing Production	29
Market Constraints	29
Governmental Constraints	30
Infrastructure Constraints	34
Housing Opportunities	35
Availability of Sites for Housing	35
Availability of Public Services and Facilities	38
Residential Development Potential Compared with La Mesa's Regional Housing Needs	38
Evaluation of Accomplishments Under Adopted Housing Element	44
Share of Regional Housing Growth	49
Fair Share of Affordable Housing Goal	50
Redevelopment Housing Set-Aside Fund	51
Redevelopment in La Mesa	51
Redevelopment Housing Set-Aside Fund	51
Housing Plan	53
Goals and Policies	53
Housing Programs	56

List of Tables

Table	Page
1. Population Trends: La Mesa and Surrounding Areas	6
2. Ethnic Composition: 1990 & 1997	8
3. Number of Households: La Mesa and Surrounding Areas	9
4. Average Persons Per Household: 1990 & 1998	9
5. 1997 Household Income Distribution	11
6. Summary of Special Needs Groups: La Mesa 1990	13
7. 1995 Employment by Industry: La Mesa and County	14
8. Total Housing Units: La Mesa and Surrounding Areas	16
9. Age of Housing Stock	17
10. 1998 Median Home Prices: La Mesa and Surrounding Areas	20
11. Affordable Housing Costs by Income Category	21
12. Current Rental Rates: La Mesa, 1998	22
13. Assisted Housing Inventory and At Risk Status	23
14. Market Value of At-Risk Housing Projects	25
15. Rent Subsidies Required	26
16. Disposition of Conventional Loan Applications: 1996	30
17. Residential Development Standards	32
18. Planning Fee Schedule	32
19. Vacant Residential Inventory	36
20. Underutilized Properties and Mobile Home Parks	36
21. Redevelopment Sites	38
22. Summary of Site Inventory by Income Level	40
23. 1991-1998 Housing Accomplishments	49
24. Share of Regional Housing Needs	50
25. Housing Program Summary	71

List of Figures

Figure	Page
1. Regional Location Map	2
2. Age Characteristics: 1990 & 1997	7
3. Proportion of Overcrowded Households	10
4. Housing Inventory by Type: 1998	16
5. Housing Conditions Study Areas	19
6. Residential Development Fee Per Prototype Development	33
7. Residential Site Inventory - Vacant Sites	41
8. Residential Site Inventory - Underutilized Sites	42
9. Residential Site Inventory - Redevelopment Sites	43
10. West End Revitalization Area	60

1	Table 1: Summary of the data	1
2	Table 2: Summary of the data	2
3	Table 3: Summary of the data	3
4	Table 4: Summary of the data	4
5	Table 5: Summary of the data	5
6	Table 6: Summary of the data	6
7	Table 7: Summary of the data	7
8	Table 8: Summary of the data	8
9	Table 9: Summary of the data	9
10	Table 10: Summary of the data	10
11	Table 11: Summary of the data	11
12	Table 12: Summary of the data	12
13	Table 13: Summary of the data	13
14	Table 14: Summary of the data	14
15	Table 15: Summary of the data	15
16	Table 16: Summary of the data	16
17	Table 17: Summary of the data	17
18	Table 18: Summary of the data	18
19	Table 19: Summary of the data	19
20	Table 20: Summary of the data	20
21	Table 21: Summary of the data	21
22	Table 22: Summary of the data	22
23	Table 23: Summary of the data	23
24	Table 24: Summary of the data	24
25	Table 25: Summary of the data	25
26	Table 26: Summary of the data	26
27	Table 27: Summary of the data	27
28	Table 28: Summary of the data	28
29	Table 29: Summary of the data	29
30	Table 30: Summary of the data	30
31	Table 31: Summary of the data	31
32	Table 32: Summary of the data	32
33	Table 33: Summary of the data	33
34	Table 34: Summary of the data	34
35	Table 35: Summary of the data	35
36	Table 36: Summary of the data	36
37	Table 37: Summary of the data	37
38	Table 38: Summary of the data	38
39	Table 39: Summary of the data	39
40	Table 40: Summary of the data	40
41	Table 41: Summary of the data	41
42	Table 42: Summary of the data	42
43	Table 43: Summary of the data	43
44	Table 44: Summary of the data	44
45	Table 45: Summary of the data	45
46	Table 46: Summary of the data	46
47	Table 47: Summary of the data	47
48	Table 48: Summary of the data	48
49	Table 49: Summary of the data	49
50	Table 50: Summary of the data	50
51	Table 51: Summary of the data	51
52	Table 52: Summary of the data	52
53	Table 53: Summary of the data	53
54	Table 54: Summary of the data	54
55	Table 55: Summary of the data	55
56	Table 56: Summary of the data	56
57	Table 57: Summary of the data	57
58	Table 58: Summary of the data	58
59	Table 59: Summary of the data	59
60	Table 60: Summary of the data	60
61	Table 61: Summary of the data	61
62	Table 62: Summary of the data	62
63	Table 63: Summary of the data	63
64	Table 64: Summary of the data	64
65	Table 65: Summary of the data	65
66	Table 66: Summary of the data	66
67	Table 67: Summary of the data	67
68	Table 68: Summary of the data	68
69	Table 69: Summary of the data	69
70	Table 70: Summary of the data	70
71	Table 71: Summary of the data	71
72	Table 72: Summary of the data	72
73	Table 73: Summary of the data	73
74	Table 74: Summary of the data	74
75	Table 75: Summary of the data	75
76	Table 76: Summary of the data	76
77	Table 77: Summary of the data	77
78	Table 78: Summary of the data	78
79	Table 79: Summary of the data	79
80	Table 80: Summary of the data	80
81	Table 81: Summary of the data	81
82	Table 82: Summary of the data	82
83	Table 83: Summary of the data	83
84	Table 84: Summary of the data	84
85	Table 85: Summary of the data	85
86	Table 86: Summary of the data	86
87	Table 87: Summary of the data	87
88	Table 88: Summary of the data	88
89	Table 89: Summary of the data	89
90	Table 90: Summary of the data	90
91	Table 91: Summary of the data	91
92	Table 92: Summary of the data	92
93	Table 93: Summary of the data	93
94	Table 94: Summary of the data	94
95	Table 95: Summary of the data	95
96	Table 96: Summary of the data	96
97	Table 97: Summary of the data	97
98	Table 98: Summary of the data	98
99	Table 99: Summary of the data	99
100	Table 100: Summary of the data	100

Housing Element

La Mesa - 2010

A city which encourages adequate provision of a wide range of housing by location, type, and price to meet the existing and future needs of residents.

A city which maintains and enhances the quality of existing residential neighborhoods.

A city which provides increased opportunities for homeownership.

A city which provides housing support services to address the needs of low and moderate income residents.

A city which promotes equal housing opportunity for all residents to reside in the housing of their choice.

ment will occur primarily through infill or redevelopment on underutilized properties.

The residential character of a city is largely dependent on the type, quality, location, and condition of its housing stock.

The Housing Element is intended to guide residential development and preservation in a manner that is in line with the overall economic and social values of the community. To do so, the Element provides a strategy to address housing needs through a series of specific housing programs. The strategy covers such areas as: conserving and improving the existing supply of affordable housing; providing adequate housing sites for a variety of housing types; assisting in the development of affordable housing; removing governmental constraints to the development of housing; and promoting equal housing opportunities.

Introduction

The City of La Mesa, incorporated as a single-family suburb to San Diego in 1912, is among the older jurisdictions in San Diego County. The City is approximately nine square miles in area and is situated astride Interstate 8, immediately adjacent to the eastern boundary of the City of San Diego. Figure 1 shows the regional location of La Mesa.

As a mature suburban community, La Mesa has little remaining vacant residentially designated land. Future residential develop-

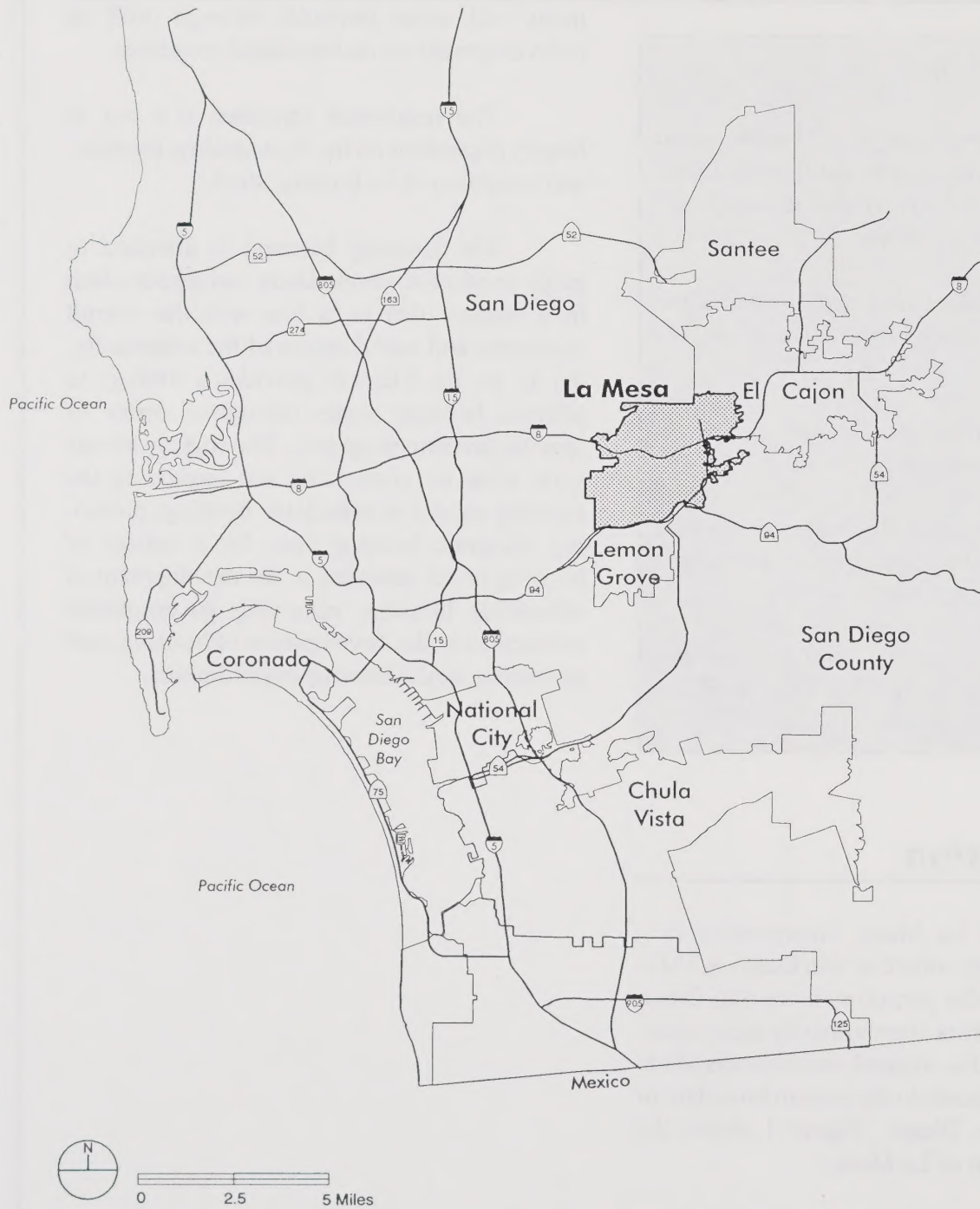


Figure 1
Regional Location Map

State Policy and Authorization

The California State Legislature has identified the attainment of a decent home and suitable living environment for every Californian as the State's major housing goal. Recognizing the important role of local planning programs in the pursuit of this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive General Plans.

State Housing Element law requires all cities and counties to update their Housing Elements at least every five years to reflect a community's changing needs. However, the current housing element cycle has been extended to cover an eight-year period due to delays in planning for self-certification and the lack of state budget for the Regional Councils of Governments to generate the regional housing growth allocations. La Mesa's Housing Element was last updated in 1992. This Housing Element represents the City's updated Element for the period of July 1, 1999 through June 30, 2004.

Housing Element Self-Certification

The State Housing Element law requires that jurisdictions submit the elements to the State Department of Housing and Community Development (HCD) for a determination of substantial compliance with state law. However, State legislation (AB 1715) sponsored by the San Diego Association of Governments (SANDAG) created the opportunity for jurisdictions within the San Diego region to self-certify their housing elements if they meet a particular set of criteria. Pursuant to AB 1715, the City of La Mesa is eligible to self-certify

this 1999-2004 Housing Element by satisfying all of the following criteria:

1. *The jurisdiction's adopted housing element or amendment substantially complies with the provisions of this article, including addressing the needs of all income levels.*

This 1999-2004 Housing Element was prepared in conformance with Article 10.6 (of Chapter 3, Division 1, Title 7 of the Government Code). It contains programs and policies that address the needs of all income levels.

2. *The jurisdiction met its fair share of the regional housing needs for the 1991-1999 housing element cycle.*

Based on City and SANDAG records, La Mesa provided affordable housing opportunities to 616 lower and moderate income households between 1991 and 1996, or 136 percent of its fair share goal for the current housing element cycle. Through a number of new construction, acquisition, and rental and first-time homebuyer assistance programs, the City provided affordable housing opportunities to 360 very low income, 236 low income, and 20 moderate income households. The Evaluation of Accomplishments Under Adopted Housing Element section discusses the City's housing performance in detail.

3. *The jurisdiction provides a statement regarding how the adopted housing element addresses the dispersion of lower income housing within its jurisdiction, documenting that additional affordable housing opportunities will not developed only in areas where concentrations of lower income*

Housing Element

households already exist, taking into account the availability of necessary public facilities and infrastructure.

The City of La Mesa encourages the production of housing that offers a wide range of choices in terms of type, location, and cost to meet the needs of all economic segments of the population. Housing Goal 2 and the associated policies contained in this Element expressly articulate the City's intent to offer a wide variety of housing choices and to disperse lower income housing.

As further illustrated in the Housing Opportunities section of this Element, vacant and underutilized properties that can accommodate future residential development at a variety of density ranges are available throughout the City. Higher density development under the Urban Mixed Use category can occur along the four-mile stretch of the City's commercial corridors. In addition, the City has identified other locations where higher intensity development may occur.

4. *The jurisdiction does not have any local government actions or policies that prevent the development of the identified sites or accommodation of the jurisdiction's share of the total regional housing need.*

The Constraints on Housing Production section of this Element assesses the impact of government policies on the availability, adequacy, and affordability of housing in La Mesa. No public policy has been determined as a constraint to housing development in the City.

Organization of the Housing Element

The City of La Mesa Housing Element is comprised of the following major components:

- An analysis of the City's population, household and employment base, and the characteristics of the City's Housing stock (Background Information)
- A review of the potential constraints to meeting the City's identified housing needs (Constraints on Housing Production)
- An evaluation of opportunities that will further the development of new housing (Housing Opportunities)
- A statement of the Housing Plan to address La Mesa's identified housing needs, including housing goals, policies and programs (Housing Plan)

Relationship to Other General Plan Elements

The City of La Mesa General Plan is comprised of eight elements: 1) Land Use and Design; 2) Circulation; 3) Conservation and Open Space; 4) Historic Preservation; 5) Noise; 6) Safety; 7) Public Services and Facilities; and 8) Housing. Background information and policy direction presented in one element is also reflected in other Plan elements. For example, residential development capacities established in the Land Use Element are incorporated within the Housing Element. This Housing Element Update builds upon the other General Plan elements and is entirely consistent with the policies and proposals set forth by the Plan.

Public Participation

As part of the comprehensive update to the Housing Element, the City conducted a housing programs study session before the City Council to solicit Council and public input on the housing program options, particularly in relation to the use of HOME funds.

In addition, public hearings were held on this revision to the Housing Element before both the Planning Commission and City Council. Notification were published in the local newspaper in advance of each hearing.

Sources of Information

The analysis of population characteristics and existing housing stock for the Housing Element is based primarily on the following sources:

- U.S. Department of Commerce, Bureau of Census, 1990 Census report;
- State of California, Department of Finance, Controlled Population Estimates for 1-1-98;
- San Diego Association of Governments (SANDAG), Regional Housing Needs Statement - San Diego Region, May 1999;
- SANDAG Housing Needs Performance Report, 1997

Background Information

A successful strategy for improving housing conditions must be formulated based upon an assessment of the housing needs of the community and region. This section of the Housing Element discusses the major components of La Mesa's housing needs, including population, households, employment and the type of housing available. The regional context is also presented in order to better understand the environment in which La Mesa functions.

The analysis is organized into four major subsections. Population Characteristics, discusses population trends that may affect future housing needs. Household Characteristics, analyzes La Mesa in terms of households to identify the impacts of household changes on housing needs. Employment, examines the occupational and

and employment resources of La Mesa residents, as these affect the location of housing and affordability. Housing Stock, analyzes the housing units in La Mesa in terms of availability, affordability and condition. This assessment of housing needs serves as the basis for identifying appropriate goals and policies in the Housing Element designed to address housing issues specific to La Mesa.

Population Characteristics

According to SANDAG, the 1998 population of La Mesa is estimated to be about 58,000 persons, ranking it 9th among the County's 18 jurisdictions. As illustrated in Table 1, the population for La Mesa in 2005 is projected to be about 62,500, an increase of 7.7 percent from 1998. It is estimated that La Mesa will contain about 2 percent of the region's population in 2005.

Table 1
Population Trends: La Mesa and Surrounding Areas

Jurisdiction	1990	1998	Estimated 2005	1998-2005 Percent Increase
El Cajon	88,693	94,490	98,651	4.4%
La Mesa	52,931	57,973	62,453	7.7%
Lemon Grove	23,984	25,317	28,384	12.1%
National City	54,249	54,400	58,753	8.0%
San Diego	1,110,549	1,224,848	1,397,657	14.1%
Santee	52,902	56,538	65,753	16.3%
San Diego County	2,498,016	2,794,785	3,223,432	15.3%

Sources:

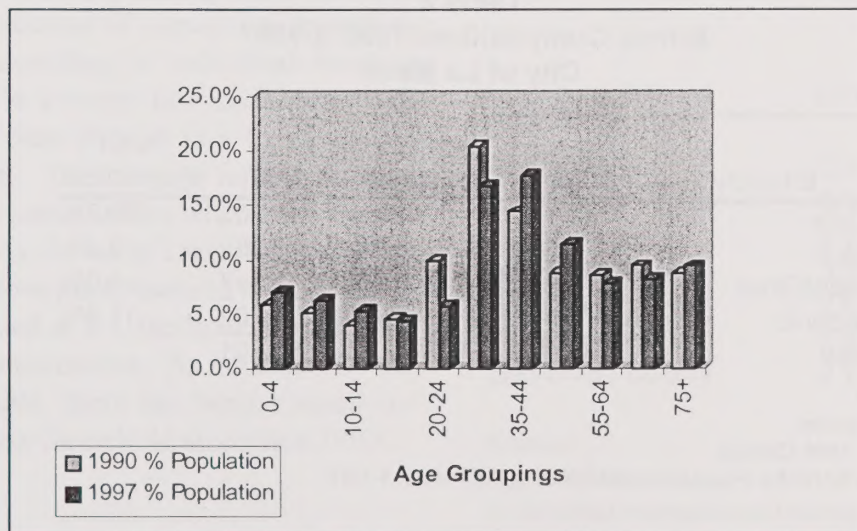
1. 1990 Census.
2. SANDAG Population and Housing Estimates, January 1, 1998.
3. SANDAG 2020 Cities/County Forecast.

Age Characteristics

The age structure of a population is an important factor in evaluating housing needs and projecting the direction of future housing development. Traditionally, both the young adult population (20-34) and the elderly population (65 +) tend to prefer apartments, low- to moderate- cost condominiums, and smaller single-family units. Persons between 35 to 54 years usually reside in higher cost apartments and condominiums and larger single family units because they typically have higher incomes and a larger household size.

Figure 2 illustrates the age distribution of La Mesa residents in 1997 based on estimates provided in SANDAG's *Draft Regional Housing Needs Statement*. Young children and teens represent the smallest proportion of the total population in both 1990 and 1997. Persons between ages 25 and 44 represent the predominant age group in both 1990 and 1997. Regionwide, the median age was 32.9 in 1997. In addition, there is a prominent elderly population, with persons age 65 and over representing almost 18 percent of the total population in 1997. This indicates that more "efficiency" units for independent living may be needed. In addition, the large population of persons in the 25-34 age range may indicate a continued need for affordable housing for first-time home buyers.

Figure 2
Age Characteristics: 1990 & 1997
City of La Mesa



Race/Ethnicity Characteristics

The racial and ethnic make-up of a population affects housing needs based on the unique household characteristics of different groups. These characteristics tend to correlate with other factors such as family size, housing location choices, and mobility. As illustrated in Table 2, La Mesa is a predominantly White community, with Whites comprising 84 percent of the total population in 1990 and 81 percent in 1997.

Though increasing slightly, other racial representations still comprise a very small portion of the City's population. Of these groups, Hispanics represents the City's major non-White racial/ethnic group at 12 percent in 1997. The region also indicates a less predominantly White representation at 61 percent of the total population in 1997.

Household Characteristics

Information on household characteristics is an important indicator of housing needs in a community. The Bureau of the Census defines a household as all persons who occupy a housing unit, which may include families related through marriage or blood, unrelated individuals living together, or individual living alone. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not included in this category.

As shown in Table 3, there were 23,871 households in La Mesa in 1998. By 2005, the number of households in the City is expected to increase by 6 percent, compared to the 14 percent growth of the County.

Table 2
Ethnic Composition: 1990 & 1997
City of La Mesa

Ethnicity	1990	% Of Population	1997	% Of Population
White	44,419	83.9%	45,903	80.7%
Black	1,528	2.9%	1,959	3.4%
Asian/Other	1,808	3.4%	2,287	4.0%
Hispanic	5,176	9.8%	6,702	11.8%
Total	52,931		56,851	

Sources:

1. 1990 Census
2. SANDAG Population and Housing Estimates, 1-1-97.

Table 3
Number of Households: La Mesa and Surrounding Areas

Jurisdiction	1990	1998	Est. 2005	1998-2005 Percent Increase
El Cajon	32,935	33,278	34,319	3.1%
La Mesa	23,164	23,871	25,275	5.9%
Lemon Grove	8,400	8,565	9,494	10.8%
National City	14,811	15,000	15,767	5.1%
San Diego	406,316	433,566	489,883	13.0%
Santee	17,590	18,580	21,383	15.1%
San Diego County	887,719	951,818	1,088,688	14.4%

Sources:

1. 1990 Census.
2. SANDAG Population and Housing Estimates, January 1, 1998.
3. SANDAG 2020 Cities/County Forecast.

Household Size

Household size is an important indicator in identifying sources of population growth as well as overcrowding in individual housing units. A city's average household size will increase over time if there is a trend toward larger families. The average household size may decline in communities where the population is aging. As shown in Table 4, the average number of persons per household in La Mesa in 1998 is estimated at 2.4, the lowest among the surrounding communities. As indicated by the data in this table, there has been a small increase in average household size since 1990.

Table 4
Average Persons Per Household:
1990 & 1998

Jurisdiction	1990	Estimated 1998
El Cajon	2.6	2.8
La Mesa	2.2	2.4
Lemon Grove	2.8	2.9
National City	3.2	3.3
San Diego	2.6	2.7
Santee	2.9	3.0
San Diego County	2.7	2.8

Sources:

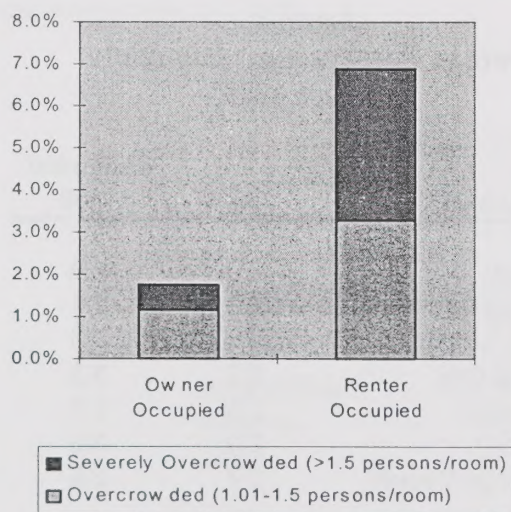
1. 1990 Census.
2. SANDAG Population and Housing Estimates, 1-1-98.

Housing Element

Overcrowding

Overcrowding is another indicator of housing affordability. Unit overcrowding is caused by the combined effect of low earnings and high housing costs in a community, and reflects the inability of households to buy or rent housing which meets typical privacy standards. The Census defines overcrowded households as units with greater than 1 person per room, excluding kitchens, bathrooms, hallways and porches. Severely overcrowded households are defined as those units with more than 1.5 persons per room.

Figure 3
Proportion of Overcrowded Households
City of La Mesa



As shown in Figure 3, according to the 1990 Census, 6.9 percent of the total renter occupied units in La Mesa were overcrowded, including 3.6 percent who were considered to be severely overcrowded. The percentage of overcrowded owner occupied units was lower at

1.8 percent, with 0.6 percent being severely overcrowded. The incidence of overcrowding in La Mesa in 1990 was minimal compared to the Region. Approximately 5.0 percent of the owner occupied units and 15 percent of the renter occupied units Countywide were overcrowded in 1990. Data on current conditions of overcrowding is not available; however, based on the small increase in household size reflected by 1998 estimates, it is likely that these conditions have remained the same.

Household Income

An important factor related to housing affordability is household income. While upper income households have more discretionary income to spend on housing, low and moderate income households are more limited in the range of housing they can afford. Typically, as the income of households decreases, the incidence of overcrowding and the amount of persons occupying substandard units increase.

The State Department of Housing and Community Development (HCD) has developed the following income categories:

- Extremely Low Income - less than 30 percent of the County Median Family Income (MFI).
- Very Low Income - less than 50 percent of the County MFI.
- Low Income - from 51 to 80 percent of the County MFI.
- Moderate Income - from 81 to 120 percent of the County MFI.

- Upper Income - greater than 120 percent of the County MFI.

The *San Diego Draft Regional Housing Needs Statement* contains 1997 household income distribution data for La Mesa. Distribution can be divided into these four income categories through interpolation, as shown in Table 5. Based on the 1997 median income of \$48,600 for the County, about 51 percentage of households fall into the low and very low income categories.

Table 5
1997 Household Income Distribution
City of La Mesa

Income Category	Households	% of Total
Very Low	6,712	28.1%
Low	5,443	22.8%
Moderate	5,230	21.9%
Upper	6,480	27.2%
TOTAL	23,865	100.0%

Note: 1997 median County income: \$48,600

Source: SANDAG Population and Housing Estimates, 1-1-97.

Special Needs Groups

Certain segments of the population may have more difficulty in finding decent, affordable housing due to special circumstances. In La Mesa, these "special needs" groups include the elderly, disabled persons, large families, female-headed households, students and the homeless. The number of special needs households or persons in La Mesa is summarized in Table 6 at the end of this subsection.

Elderly: The limited incomes of many elderly persons make it difficult for them to find affordable housing. In addition, many of them may have physical disabilities and dependence needs which limit their selection of housing type. In 1990, the proportion of persons age 65 and over in La Mesa was about 18 percent of the total population. Almost half of these elderly persons were 75 years of age or over. According to SANDAG's *Draft Regional Housing Needs Statement*, this proportion is expected to increase to 27 percent by 2020.

Large Families: Large households, those with five or more persons, are often considered as a group with special housing needs due to the limited availability of adequately sized affordable housing units. In many cases, large households have a lower household income. Many large households with limited incomes tend to double-up in housing to save on costs, resulting in overcrowding and accelerated unit deterioration. An estimated 5.3 percent of La Mesa households had five or more members in 1990.

According to HUD's special Census tabulations, 66 percent of the City's 535 large renter-households in 1990 were lower income households. While HUD did not provide equivalent statistics on large owner-households, given the large number of lower income households in the City, the proportion of large lower income owner-households may also be significant.

Disabled Persons: This category covers a wide range of physical and mental disabilities. Physical disabilities can hinder access to conventional housing units, and both physical and mental disabilities can prevent persons from earning adequate income. According to the 1990 Census, approximately 14 percent of the La Mesa population age 16 years and older had

Housing Element

some type of mobility or self-care limitation, or work disability.

Housing opportunities for the disabled can be addressed through the provision of affordable housing that is adapted to their needs. This includes the provision of accessible units in new developments as well as encouraging housing to be located in close proximity to public transportation and services.

Female-Headed Households: Single-parent families with children often require special attention due to their need for affordable child care, health care, and housing assistance. Female-headed households with children in particular tend to have lower incomes, thus limiting housing availability for this group. Regionwide, 35 percent of the female-headed households lived below the poverty level in 1990. An estimated 1,444, or 6 percent of female-headed households with children resided in La Mesa in 1990. Of these households, 359 or 25 percent lived below the poverty level.

Agricultural Workers: Due to the urban nature of La Mesa and its surrounding communities, housing for agricultural workers is not an issue.

Students: The college student population in the area is another significant factor affecting housing demand. Typically, students are low income, and are therefore impacted by a lack of affordable housing. In addition, the provision of housing to recent graduates is critical to the local and regional economies. Recent graduates provide a specialized pool of skilled labor that is vital to the economy. Lack of affordable housing often leads to their departure from the region. The 1990 Census reported a college student population of 6,905 for La Mesa, or 13

percent of the population. Regionwide, approximately 10 percent of residents were enrolled in college in 1990. San Diego State University, the largest university in the region, has an enrollment of 30,000 students, but only provides on-campus housing for less than 10 percent of its students. Other smaller universities and colleges in the region also have similar housing shortages.

Homeless: In February 1999, the La Mesa Police Department conducted a count of homeless persons in the City. The Police count documents 34 homeless individuals. This information has since been provided to the Regional Task Force on Homeless for incorporation into its annual report.

More importantly, there are families who are at-risk of becoming homeless. These include extremely low income families and those receiving public assistance. Termination of employment or public subsidies would likely render these families homeless. As of February 1998, 2,257 persons in La Mesa were receiving aid from TANF (*Temporary Assistance to Needy Families*).

According to the Regional Task Force on the Homeless, the Center for Community Solutions Battered Women's Shelter in La Mesa provides temporary shelter for victims of domestic violence. The La Mesa Community Health Services and San Diego Youth and Community Services provide supportive services for the homeless.

Located within close proximity to La Mesa, the following organizations also help serve the homeless:

- Alpha Project for the Homeless - San Diego
- Bayside Settlement House - San Diego
- Catholic Charities - San Diego
- County Mental Health Services - El Cajon
- Crisis House - El Cajon
- Resource Center - San Diego

Table 6
Summary of Special Needs Groups: La Mesa 1990

Special Needs Groups	1990	Percent of Total Population/ Households
Elderly (65+) Persons	9,670	18.3%
Large Households (5 + Persons)	1,233	5.3%
Disabled Persons	2,767	6.4%
Female-Headed Households With Children	1,444	6.2%
College Students	6,905	13.0%
Homeless	34	N/A
Persons Receiving TANF	2,257	4.3%

Sources:

1. 1990 Census
2. Homeless data provided by the La Mesa Police Department.

Employment

During the early 1990s, the La Mesa economy was greatly affected by the economic recession experienced by most Californian communities. According to SANDAG's *Regional Housing Needs Statement*, there were 25,565 persons employed in La Mesa in 1990, but only 23,329 in 1995, representing a 9 percent decrease in employment in the City. To some extent, the City's decrease in employment may be attributed to the increasing proportion of residents at retirement age as discussed previously. Among other jurisdictions in the County, only one city, National City, experienced a greater loss in employment than La Mesa. Countywide, employment declined less than one percent during the same period.

As the local and regional economies recover from the recession, the employment situation in La Mesa improves. According to the California Economic Development

Department, the unemployment rate for La Mesa in December of 1998 was 2.7 percent, down from the annual average of 3.5 percent in 1997. The Countywide unemployment rate was 4 percent in December of 1998.

The economic base of La Mesa is predominately service-oriented, with the majority of jobs in the retail and service sectors. Table 7 shows the distribution of employment by industry for La Mesa and the Region in 1995. The majority of the employment in La Mesa fell within the Services and Retail Trade sectors.

In the Region, the economic base is also predominantly service-oriented. Between 1990 and 1994, more low paying than high paying jobs were created in the San Diego region. High paying jobs increased by 31.4 percent while low paying jobs increased by over 43 percent (SANDAG *Evaluating Economic Prosperity in the San Diego Region: 1998 Update*).

Table 7
1995 Employment by Industry: La Mesa and County

Industry	La Mesa % of Total	County % of Total
Agriculture	0.1%	1.0%
Construction	4.7%	4.0%
Manufacturing	2.4%	10.5%
Transportation/Communication	1.7%	3.4%
Wholesale Trade	2.4%	3.9%
Retail Trade	27.9%	17.1%
Finance	9.4%	5.1%
Services	44.0%	28.5%
Government/Military	7.4%	26.4%
TOTAL	100%	100%

Source: SANDAG 1990 and 1995 Employment Inventories.

Housing Stock Characteristics

Housing Growth

La Mesa is an older community with virtually all of its residential land already developed. There were an estimated 24,834 housing units in La Mesa in 1998. Between 1990 and 1998, only 680 housing units were added to the City's housing stock. This is an increase of 2.8 percent compared to the increase of 7.3 percent for the County. As shown in Table 8, housing units in La Mesa are projected to increase by 4.7 percent from 1998 to 2004. According to SANDAG, residential development diminished after 1990 as a result of the recession.

Housing Type and Tenure

Due to the scarcity of vacant land for development, housing growth in La Mesa has been characterized by infill development of multi-family apartments and condominiums, and to a lesser degree single-family units on underutilized parcels.

There was very little change in the housing mix from 1990 to 1998, with multi-family units increasing by 360 or 3.2 percent, only slightly more than single-family units at 326 or 2.6 percent. The majority of the new multi-family housing in La Mesa during this period was a result of the construction of the 244-unit Howard Gilmore Terrace. While the military also acquired the 56-unit La Mesa Park to be used as military housing, no change in housing stock resulted from this acquisition. There was also no change in mobile home units from 1990 to 1998.

La Mesa's current (1998) housing stock has a relatively even split between single-family and multi-family units. Approximately 51 percent of the units are single-family attached or detached units. Multi-family units constitute about 47 percent of the housing stock, with mobile homes comprising the remaining 2 percent. Figure 4 illustrates the City's housing type mix in 1998.

The 1998 Vacancy Survey by the San Diego Apartment Association documented a vacancy rate of 2.2 percent in La Mesa. This level of vacancy indicates a tight rental housing market rate, leaving little room for mobility for renters.

The 1990 Census indicated that of the City's 23,206 occupied housing units, 11,194 (48 percent) were occupied by owners and the remaining 12,012 units (52 percent) were renter-occupied. The Census reported a City-wide owner occupancy rate of 80 percent for single-family dwellings. Within the West End neighborhood, the ownership rate for single-family dwellings was reported at 77 percent, lower than for the City as a whole. For condominiums, the ownership rate both Citywide and within the West End was only 60 percent, much lower than for single-family dwellings.

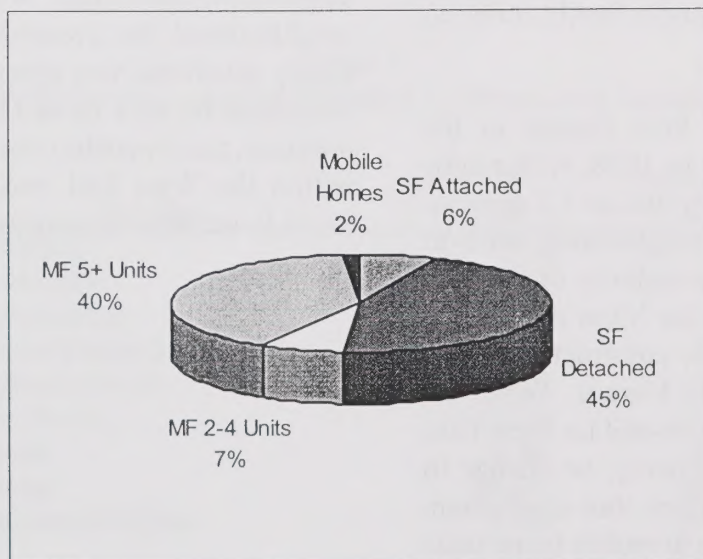
Table 8
Total Housing Units: La Mesa and Surrounding Areas

Jurisdiction	1990	Estimated 1998	Estimated 2004	1998-2004
				Percent Increase
El Cajon	34,453	34,857	35,640	2.2%
La Mesa	24,154	24,834	26,008	4.7%
Lemon Grove	8,638	8,820	9,600	8.8%
National City	15,243	15,477	16,115	4.1%
San Diego	431,722	460,674	509,914	10.7%
Santee	18,275	19,105	21,490	12.5%
San Diego County	946,240	1,014,859	1,135,240	11.9%

Sources:

1. 1990 Census.
2. SANDAG Population and Housing Estimates, 1-1-98.
3. SANDAG 2020 Cities/County Forecast.

Figure 4
Housing Inventory by Type: 1998
City of La Mesa



Age and Housing Stock Condition

Age of housing is an important characteristic of supply because it is often an indicator of housing condition. Many federal and state programs use age of housing as one factor to determine housing rehabilitation needs and the availability of funds for rehabilitation assistance. Table 9 illustrates the period in which housing units were built in La Mesa. Housing growth began to slow during the 1980s, indicative of the limited remaining land available for development. Only 14 percent of the total housing stock was built after 1980.

The accepted age standard for a housing unit requiring major rehabilitation is 30 years or older. In 1999, almost 60 percent of La Mesa's housing stock will be over 30 years old. The age of the City's housing stock indicates the potential need for rehabilitation and continued maintenance for a significant portion of the City's housing.

Table 9
Age of Housing Stock
City of La Mesa

Year Built	No. of Units	Percent of Total
1939 or Earlier	1,089	4.4%
1940 - 1949	2,696	10.9%
1950 - 1959	6,175	24.9%
1960 - 1969	4,816	19.4%
1970 - 1979	6,629	26.7%
1980 - 1990 (March)	2,749	11.1%
1990 - 1998 estimate	680	2.7%
Total	24,834	100.0%

Sources:

1. 1990 Census.
2. Department of Finance Housing Estimates, 1-1-98.

Recently, City staff conducted a "windshield survey" to identify areas that are exhibiting signs of deterioration and have the most urgent need for improvement. The survey identified specific study areas within the City which contain residential properties requiring City attention. As illustrated in Figure 5, these neighborhoods include:

Lake Murray: Lake Murray Study Area is a well-maintained section of the community, with virtually no vacant land of any size left for future development. With a few exceptions in neighborhoods off Lake Murray Blvd., sidewalks, curbs, and gutters are generally in place.

The major issue in this Study Area relates to the Lake Murray Mobile Home Park. Mobile home coaches in this mobile home park appear to have varying maintenance levels, ranging from well maintained to deteriorated.

Northmont: While the quality of this neighborhood has been somewhat upgraded over the past several years through privately initiated investment, there are still many properties with visible exterior deterioration. In 1994, the City Council designated the duplex area off Severin Drive as a target area for the City's Housing Rehabilitation Program.

El Cajon Boulevard: Much of the easterly part of this area was part of the original City of La Mesa incorporation, with other annexations occurring between 1928 and 1977. The housing and public improvements in this area reflect the age and changing standards which influenced the development of this area over the decades.

In this area, some single-family homes exhibit signs of deferred maintenance and some homes

Housing Element

are in need of rehabilitation. In addition, several older apartment complexes do not meet current standards in terms of parking and amenities.

The majority of the City's mobile home parks are located in the El Cajon Boulevard Study Area. Several of these parks are in dilapidated condition, and many coaches and travel trailers do not meet current standards.

Vista/La Mesa: This Study Area also consists of part of the original City and later annexations, with the housing and public improvements in this area reflecting the age and changing development standards.

Some homes are in need of rehabilitation and some are in need of yard maintenance. The La Mesa City Council has adopted a Housing Rehabilitation target area within the Vista/La Mesa Study Area.

Rosebud/Schoolridge Lane: Of the 39 apartment buildings examined in this Study Area, 26 show obvious signs of deferred maintenance. Some apartments also do not meet the current standards for parking and on-site amenities.

La Mesa Springs: There are scattered homes and apartment units showing signs of deterioration, and two specific areas, Echo Court and Dailey Court, may require special City attention.

In addition to the specific areas identified above, there are conditions which exist in pockets citywide that should be addressed through the implementation of broad-based neighborhood revitalization programs. These include:

Public Improvements: Many neighborhoods in the City were not developed to current standards with a minimum of public improvements. Often these neighborhoods are subdivided by streets without curbs, gutters, or sidewalks, or by unpaved alleys.

Overhead Utility Lines: In certain neighborhoods (e.g. Northmont), overhead utility lines create a negative visual impact.

Code Enforcement: Many of the maintenance problems observed in specific areas can be addressed through a more aggressive code enforcement program.

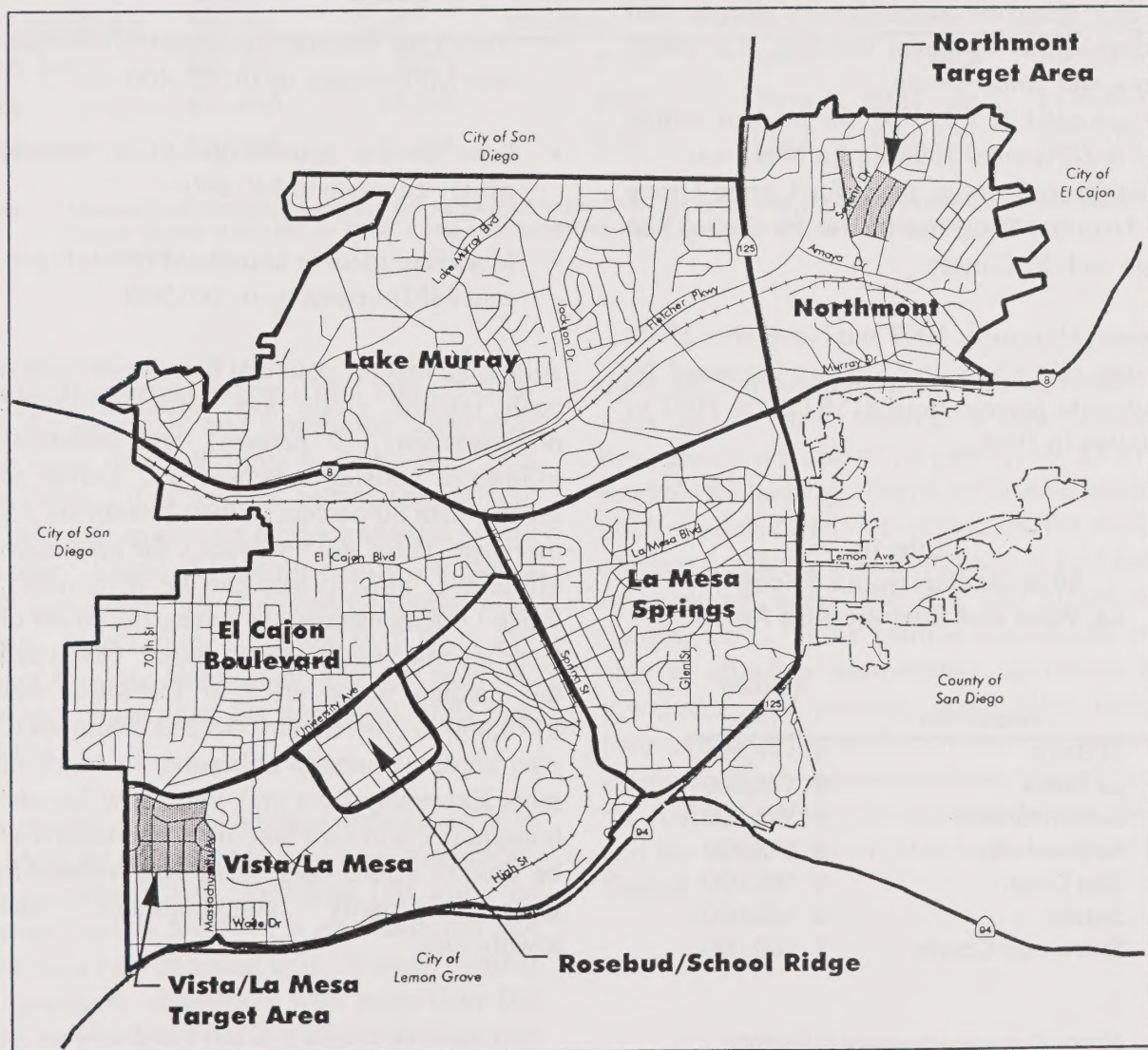


Figure 5
Housing Conditions Study Areas

Housing Element

Housing Costs and Affordability

Ownership Housing: Recent information on housing prices was obtained from the California Association of Realtors and is presented in Table 10. The data includes sales of new and existing detached single-family homes and condominiums by home builders, real estate agents, and homeowners.

As illustrated in Table 10, the median selling price in November 1998 for La Mesa was \$170,000, well above those for Lemon Grove and National City, but below El Cajon, San Diego and the County.

Between November 1997 and November 1998, housing sale prices in La Mesa increased by about eight percent from \$158,000 in 1997 to \$170,000 in 1998.

Table 10
1998 Median Home Prices
La Mesa and Surrounding Areas

Jurisdiction	Median Price
El Cajon	\$ 177,000
La Mesa	\$ 170,000
Lemon Grove	\$ 133,000
National City	\$ 115,000
San Diego	\$ 180,000
Santee	\$ 165,000
San Diego County	\$ 180,000

Source: California Association of Realtors.

Housing affordability is dependent upon income and housing costs. According to the HUD income guidelines for 1998, the median family income (MFI) in San Diego County is

\$50,800. Based on this median income, the following income limits for a four-person household can be established:

- Extremely Low Income household (0-30 percent MFI) - earns up to \$15,240
- Very Low Income household (31-50 percent MFI) - earns up to \$25,400
- Low Income households (51-80 Percent MFI) - earns up to \$40,640
- Moderate Income household (81-120 percent MFI) - earns up to \$60,960.

Assuming that the potential homebuyer within each income group has sufficient credit, downpayment (10 percent), and maintains affordable housing expenses (i.e. spends no greater than 30 percent of their income on the mortgage, taxes and insurance), the maximum affordable home prices can be determined. Table 11 demonstrates the purchasing power of these income groups defined above. Given that the median home price in La Mesa was \$170,000 in November 1998 and continues to rise, home ownership is beyond the reach of most Extremely Low and Very Low Income households, and Low Income households may be able to afford only small size ownership units, primarily condominiums and townhomes.

Table 11
Affordable Housing Costs by Income Category

Income Group	Median Income	Maximum Monthly Affordable Housing Cost	Utilities, Property Taxes, Home-owner's Insurance	Maximum Affordable Mortgage Payment	Maximum Affordable 30-Year Mortgage	Maximum Affordable Home Price
Very Low	\$25,400	\$635	\$150	\$485	\$72,900	\$81,000
Low	\$40,640	\$1,016	\$200	\$816	\$122,700	\$136,300
Moderate	\$60,960	\$1,524	\$200	\$1,324	\$199,000	\$221,100

Note: Calculation of affordable mortgage and home price based on a 7% interest rate, 10% downpayment, and Area Median Family Income of \$50,800 for 1998. Costs such as utilities, taxes, insurance are also factors considered in the calculation.

Rental Housing: Current rental rate information for apartment and townhome complexes with more than 100 units was obtained from *RealFacts*, a data services agency specializing in collecting rental data for communities across the state. A total of 19 multi-family complexes with more than 100 units can be found in La Mesa. In addition, the SANDAG *Draft Regional Housing Needs Statement* also provides average rental rates for apartment units (see Table 12).

The majority of rental housing units available in La Mesa are one- and two-bedroom apartments. For complexes with more than 100 units, the average rent is \$684 for a one-bedroom and \$868 for a two-bedroom unit. A small number of townhome complexes with more than 100 units are also listed but at a higher average rent ranging from \$880 to \$1,125. Average rents for all apartment units in La Mesa are estimated by SANDAG at much lower rates, as shown in Table 12.

Based on the income limits shown before, a Very Low Income household can afford to pay

up to \$635 in housing costs, including monthly rents and utilities, whereas a Low Income household can afford to pay up to \$1,016 monthly for housing. Very Low Income households are thus faced with renting smaller studio and one-bedroom apartment units in La Mesa or spending more than they can afford on housing costs. Low Income households are able to afford a two-bedroom apartment or townhome, and possibly some older three-bedroom units in small apartment complexes. However, three-bedroom units are typically not affordable to Very Low Income households, and the availability of three-bedroom units is limited.

Table 12
Current Rental Rates: La Mesa, 1998

Unit Type and Size	Complexes with 100+ units		Average Rent for All Units
	No. of Units	Average Rent	
Apartments			
Studio	50	\$ 540	\$ 487
1-bedroom	1,169	\$ 684	\$ 578
2-bedroom	892	\$ 868	\$ 707
3-bedroom	179	\$ 1,042	\$ 930
Townhomes			
2-bedroom	38	\$ 880	
3-bedroom	34	\$ 1,125	

Note: 2-bedroom units include only 2-bath units.

Sources:

1. Complexes with 100+units - RealFacts, 12/1998
2. All units - SANDAG Draft Regional Housing Needs Statement, 11/1998.

Assisted Housing Units At Risk of Converting to Market Rate

Inventory of Assisted Housing

The State Housing Element law requires cities to prepare an inventory including all assisted multi-family rental units which are eligible to convert to non-low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions. Under the State Housing Element law, this inventory is required to cover a ten-year evaluation period following the statutory due date of the Housing Element (July 1, 1999). Thus, this at-risk housing analysis covers the period from July 1, 1999 through June 30, 2009.

Table 13 provides an inventory of the City's assisted multi-family housing stock by various government assistance programs. This inventory includes all multi-family rental units assisted under federal, state, and/or local programs, including HUD programs, state and local bond programs, redevelopment programs, and local in-lieu fee, inclusionary, density bonus, or direct assistance programs.

Table 13
Assisted Housing Inventory and At Risk Status

Project	Total Project Units	Program	Length of Affordability Controls	Earliest Conversion Date ¹	# of Units At Risk	Rent/FMR ²
At Risk Between July 1, 1999 and June 30, 2009						
Murray Manor 5700 Cowles Mountain Blvd.	218	Section 236(j)(1), 241(f)	Extended affordability control in exchange for additional incentives	12/1/2011	218	
		Section 8	Annual renewal	5/31/2000	87	97%
		Section 8	Annual renewal	7/31/1999	111	96%
At Risk After June 30, 2009						
La Mesa Springs Apartments 8070 Orange Ave.	128	CHFA	40-year	3/18/2021	128	
		Section 8	State Section 8	3/18/2021	128	162%
Guava Gardens 5041 Guava Ave.	81	Density Bonus	Development Agreement and Specific Plan provide for an indefinite length of affordability control	Not Applicable	81	
Campina Court Apartments 9000 Campina Drive	60	Tax Credit/ Redevelopment	55-year affordability agreement	6/1/2050	60	

Notes:

1. Section 236(j)(1) projects carry a 40-year mortgage with an option to prepay the remaining mortgage after 20 years and opt out of low income use control. The earliest conversion date refers to when the prepayment option first becomes available. See discussion on Prepayment-Eligible Projects under Section 3.3.5.
2. Rent/FMR = contract rent compares with Fair Market Rent.
3. Guava Gardens contains 81 senior units (42 studios and 39 one-bedroom units). Among the 81 units, 20 units are affordable to low income seniors and the remaining 61 units are affordable to moderate income seniors. Both the Development Agreement with the developer and Specific Plan for the area where the project is located specify an indefinite length of affordability control on these units. Amending the Specific Plan would affect only subsequent projects and amending the Development Agreement between the City and the project owner to remove the affordability control is unlikely.

Sources:

1. HUD Web Site at www.hud.gov/fha/mfh/mfhsec8.html.
2. City of La Mesa, December 1998.

At-Risk Housing Conversion Potential

Murray Manor is the only housing that is considered to be at risk between July 1, 1999 and June 30, 2009. Three other projects have affordability controls that extend beyond the ten-year planning period of this at-risk analysis.

Prepayment of HUD Section 236(j)(1) and 241(f) Loans: Murray Manor is a 218-unit rental housing project initially financed with a HUD Section 236(j)(1) mortgage loan and a project-based Section 8 contract for 87 units.

The HUD Section 236(j)(1) program offers property owners reduced-interest mortgage financing. In exchange for preferential financing, the projects are subject to low income use restrictions for the 40-year term of the mortgage. However, the owners also have the option to prepay the remaining loans after the first 20 years of the mortgage and opt out of affordability controls. Depending on the timing of the projects, prepayment of Section 236 loans was regulated by either the Emergency Low Income Housing Preservation Act (ELIHPA) or the Low Income Housing Preservation and Resident Homeownership Act (LIHPRA).

In 1991, 20 years into the loan term, the project was eligible to prepay its remaining HUD loan and opt out of the low-income use restrictions. Instead, the property owners filed a Notice of Intent and Plan of Action to extend the affordability control to the full 40-year loan term in exchange for additional incentives. The Plan of Action was approved by HUD on August 1, 1994. A second project-based Section 8 contract for an additional 111 units was awarded to Murray Manor. The project also

received a HUD Section 241(f) loan as an equity take-out loan.

Theoretically, this project should remain as low income housing until December 2011 based on the project owner's agreement with HUD. However, the project-based Section 8 program is in jeopardy due to funding limitations at the federal level. Should HUD discontinue the project-based Section 8 program, the agreement between HUD and the project owner of Murray Manor would no longer be binding, at which point prepayment or sale of the property may occur. Therefore, the likelihood of Murray Manor converting to market rate depends largely on the continued availability of Section 8 assistance and rental market conditions.

Section 8 Rent Subsidies: The *Multifamily Assisted Housing Reform and Affordability Act* of 1997 addresses expiring Section 8 contracts. This act provides authority to HUD to operate a "mark-to-market" program to reduce over-subsidized Section 8 contracts, restructure project financing, and provide funds for rehabilitation needs. The bill also includes tax legislation to ensure that adverse tax consequences do not deter owners from participating in the program. In exchange for favorable tax treatment, owners would preserve units at rents affordable to low and moderate income households. Eligible projects include FHA-insured projects receiving Section 8 project-based assistance for some or all units, where rents exceed market rents.

Typically, Section 8 units that have above market rents are not considered at risk because they are eligible to participate in the mark-to-market program which the owners are likely to find more financially beneficial. The units

really at risk are those with Section 8 rents below comparable market rents.

A total of 198 units in Murray Manor maintain Section 8 contracts with HUD. These contracts are short-term contracts, requiring renewal periodically. As part of Congress' 1997 Balanced Budget Agreement, full funding has been committed to provide for annual renewal of all expiring Section 8 contracts from FY 1998 through FY 2002. In the short run, the affordability of the Section 8 subsidized units in Murray Manor would most likely be preserved. In the long run, due to the uncertain future of the project-based Section 8 program, Murray Manor is considered as at risk of converting to market rate housing because the units are renting at below market rents and not eligible to participate in the "mark-to-market" program.

Preservation Cost Analysis

Since Murray Manor is not eligible to participate in the "mark-to-market" program, preservation of the at risk units can be achieved in two ways: 1) facilitate transfer of ownership of this project to or purchase of similar units by nonprofit organizations; and 2) provide rental assistance to tenants using other funding sources than Section 8.

Transfer of Ownership: By transferring ownership of this project to nonprofit housing organizations, long-term low income use of this project can be secured, and the project will be eligible for a greater range of government assistance programs.

Table 14 presents the estimated market value for Murray Manor to establish an order of magnitude for assessing preservation costs. According to development experts, current

market value for the at-risk project can be estimated on the basis of the project's potential annual income, operating and maintenance expenses, and building condition. As shown in Table 14, the total market value of Murray Manor is estimated at about \$14.8 million. Assuming a five percent downpayment is made to acquire Murray Manor, about \$738,000 downpayment cost would be required to transfer ownership of these buildings to nonprofit organizations.

However, unless some form of mortgage assistance is available to the nonprofit organizations, rental income alone from the low income tenants would not likely be adequate to cover the mortgage payment, and rental subsidy would be required.

Table 14
Market Value of At-Risk Housing Projects

Project Units	Murray Manor
1-bedroom	100
2-bedroom	118
Total	218
Annual Operating Cost	\$594,000
Gross Annual Income	\$1,823,635
Net Annual Income	\$1,229,635
Market Value	\$14,755,620

Market value for each project is estimated with the following assumptions:

1. *RealFacts* for June 1998 - average market rent for 1-bedroom is \$684 and 2-bedroom is \$776.
2. Average bedroom size for 1-bedroom assumed at 600 square feet, 2-bedroom at 750 square feet, and 3-bedroom at 900 square feet.
3. Vacancy rate = 5%
4. Annual operating expenses per square foot = \$4.00
5. Market value = Annual net project income * multiplication factor
6. Multiplication factor for buildings in poor condition is 10 and for buildings in good/excellent condition is 12.

Housing Element

Rent Subsidy: A total of 198 units in Murray Manor currently maintain Section 8 contracts that are due to expire within the time frame of this Housing Element. Should annual renewal of project-based Section 8 contracts becomes unavailable in the future, tenant-based rent subsidies such as Section 8 vouchers and certificates may be used to preserve the affordability of this housing.

Table 15
Rent Subsidies Required

Section 8 Units	Murray Manor
1-bedroom	93
2-bedroom	105
Total	198
Total Monthly Rent Income Supported by Affordable Housing Cost of Very Low Income Households	\$107,199
Total Monthly Rent Allowed by Fair Market Rents	\$123,891
Total Annual Subsidies Required	\$200,304

Notes:

1. Unit mix of Section 8 units is based on proportions in the entire project.
2. A 1-bedroom unit is assumed to be occupied by a 2-person household, and a 2-bedroom by a 3-person household.
3. Based on 1998 Median Family Income in San Diego County, affordable monthly housing cost for a 2-person very low income household is \$508 and for a 3-person very low income household is \$571.
4. 1998 Fair Market Rent in San Diego County is \$552 for a 1-bedroom and \$691 for a 2-bedroom.

Under the HUD Section 8 program, assistance is only available to very low income households (up to 50 percent of County MFI). Thus, the discrepancy between the Fair Market Rent for a unit and the housing cost affordable by a very low income household is used to estimate the

amount of rent subsidy required for that unit. Table 15 estimates the rent subsidies required to preserve the affordability of the existing 198 Section 8 units to very low income households. Based on the estimates and assumptions shown in this table, approximately \$200,300 in rent subsidies would be required annually.

Purchase of Affordability Covenant: Another option the City may exercise in order to preserve the affordability of Murray Manor is to provide an incentive package to the owner to maintain the project as low income housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or supplementing the Section 8 subsidy amount received to market levels.

According to HUD, Murray Manor has a current unpaid principal balance of about \$2 million, at an interest rate of 7.0 percent. The City must be able to offer an incentive package that includes interest subsidies at below 7.0 percent and below what the property owner can obtain in the open market.

To enhance the attractiveness of the incentive package, the interest subsidies may be combined with rent subsidies that supplement the Section 8 rent to market levels. As indicated in Table 15, the maximum allowable Section 8 rent for a one-bedroom unit is \$552. There is a gap of \$132 when comparing the Section 8 rent to the market rent of \$684 in a complex with more than 100 units (see Table 12). Similarly, there is a gap of \$177 for a two-bedroom unit at Section 8 level versus at market level. To supplement the Section 8 rents to market level for the 198 subsidized units, an estimated \$370,300 may be needed annually if the City would choose to subsidize the full gaps.

Replacement Cost Analysis

The cost of developing new housing depends on a variety of factors such as density, size of units, location and related land costs, and type of construction. Based on discussions with a major developer active in the East County area, average development cost for multi-family rental housing is approximately \$74,000 for a one-bedroom unit and \$81,000 for a two-bedroom unit. These cost estimates include land, construction, permits, on- and off-site improvements, and other costs. To replace the 218 units in Murray Manor would therefore require approximately \$17 million, provided that vacant or underutilized multi-family residential sites would be available for construction of replacement housing.

Cost Comparison

The cost to build new housing to replace the 218 at-risk units is high, with an estimated total cost of close to \$17 million. This cost estimate is higher than the cost to preserve the units by transferring ownership, which is estimated at approximately \$14.8 million. However, an additional constraint relating to constructing new units is the limited availability of vacant and underutilized residential sites in La Mesa.

Use of other forms of rent subsidies to replace Section 8 assistance does not ensure long-term unit affordability. The cost associated with rent subsidies is also lower, requiring approximately \$200,300 annually. However, because Section 8 rents are at below market rents in La Mesa, there is an incentive for the property owner to discontinue the Section 8 contract upon expiration of the current contract.

Overall, transferring project ownership to nonprofit organizations combined with financing techniques to lower the mortgage payment, as well as purchase of affordability covenants, are probably the most cost-effective means to preserving the at-risk housing projects.

Resources for Preservation

This section discusses two types of resources available for preserving at-risk housing units: 1) financial resources potentially available to purchase or supplement existing units, or to build replacement housing; and 2) entities with the interest and ability to purchase and/or manage at-risk units.

Financial Resources: There are a variety of potential funding sources available for acquisition, subsidy, or replacement of units at risk. Due to the high costs of developing and preserving housing and limitations on both the amount and uses of funds, a variety of funding sources may be required.

- **CDBG Funds** - La Mesa is a CDBG entitlement jurisdiction eligible to receive Community Development Block Grants (CDBG) from HUD for funding a wide range of community development activities. La Mesa's CDBG allocation averages approximately \$600,000 a year. Typically, the City Council has allocated between \$100,000 and \$150,000 annually in CDBG monies for housing related activities.
- **HOME funds** - Since FY 1997, La Mesa has become eligible to receive HOME funds through the San Diego

Housing Element

County HOME consortium. For FY 1997 and 1998, La Mesa received a total of \$355,000 in HOME allocation. HOME funds may be used for housing acquisition, construction, and rehabilitation. HOME funds are also eligible for tenant-based rental assistance, property acquisition, site improvements, and other costs related to the provision of affordable housing.

- **Redevelopment Housing Set-Aside Funds** - The La Mesa Redevelopment Agency uses its housing set-aside funds to provide affordable housing opportunities for La Mesa residents. As of June 1998, the Agency had approximately \$582,000 in the set-aside funds.

Administrative Resources: An alternative to providing subsidies to existing owners to maintain the at-risk units as low-income housing is for public or nonprofit agencies to acquire or construct housing units to replace the at-risk units. Nonprofit ownership assures the long-term commitment to maintaining these units as affordable housing for low income households. Several public and nonprofit agencies are active in providing affordable housing in the County, particularly in the East County area.

- **San Diego Interfaith Housing** - The San Diego Interfaith Housing Federation is a certified CHDO (Community Housing Development Organization). Interfaith Housing is organized by churches interested in addressing the housing needs of low and moderate income families, the elderly, and disabled persons. Interfaith Housing owns

and manages several assisted housing projects in the County.

- **San Diego Community Housing Corporation** - The San Diego Community Housing Corporation is a certified CHDO that is currently working with several jurisdictions in the acquisition, rehabilitation, and/or reconstruction of affordable housing.
- **Mexican American Anti-Poverty Advisory Committee (MAAC)** - The MAAC is a multi-purpose social service agency. The agency has been actively involved in residential rehabilitation projects and well as new construction of affordable housing in the San Diego area.

Quantified Objectives

A total of 218 housing units in La Mesa may be at risk of converting to market rate. It is the City's objective to pursue preservation of these units as low-income housing.

Constraints on Housing Production

Constraints to the provision of adequate and affordable housing are posed by market, governmental, and infrastructure and environmental factors. These constraints may result in housing that is not affordable to low and moderate income households, or may render residential construction economically infeasible for developers. Constraints to housing production can significantly impact the development of housing for households with low and moderate incomes and/or special needs.

Market Constraints

Construction and Land Costs

A major cost associated with building a new house is the cost of building materials, which can comprise up to 50 percent of the sales price of a home. Construction costs for wood frame, single-family construction of average to good quality range from \$50 to \$70 per square foot while custom homes and units with extra amenities run somewhat higher. Costs for wood frame, multi-family construction average about \$50 per square foot, excluding parking. The City's ability to mitigate high construction costs is limited without direct subsidy.

The limited supply of residentially designated vacant land in La Mesa has accounted for increases in land costs. La Mesa has very little vacant land remaining for residential or other development. Residential land in the developed parts of La Mesa averages

between \$30 and \$45 per square foot. Higher density zoning could reduce the cost per unit of land, but land zoned for higher densities commands a higher market price. According to a developer active in the East County area, multi-family residential land is about \$20,000 per unit. Density bonuses may be used by the City as a mechanism to reduce land costs in exchange for guaranteed affordable housing.

Availability of Mortgage and Rehabilitation Financing

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. In 1996, a total of 462 households applied for conventional mortgage loans to purchase homes in La Mesa. About 72 percent of the applications were originated (approved by lenders and accepted by applicants) and 13 percent were denied, with the remaining 15 percent of the applications withdrawn, closed for incompleteness, or not accepted by the applicants (see Table 16).

Overall, home improvement loans have lower approval rates. In 1996, 310 households in La Mesa applied for home improvement loans and only 54 percent were approved, indicating the continued need for City assistance in providing rehabilitation loans. Among 22 percent denied home improvement loan applications, approximately 20 percent were denied due to inadequate equity and another 16 percent were denied due to a high debt-to-income ratio, which included mortgage debt.

Table 16
Disposition of Conventional Loan Applications: 1996

Applicant Income	Home Purchase Loans				Home Improvement Loans			
	Total Appl'ns	% Originated	% Denied	% Other	Total Appl'ns	% Originated	% Denied	% Other
Low Income (< 80% MFI)	88	72%	18%	10%	74	47%	24%	28%
Moderate Income (80 -119 % MFI)	133	74%	12%	14%	95	45%	32%	23%
Upper Income >= 120% MFI)	229	72%	12%	16%	131	64%	12%	24%
Not Available	12	33%	17%	50%	10	50%	30%	20%
Total	462	72%	13%	15%	310	54%	22%	24%

Source: Home Mortgage Disclosure Act (HMDA) data for 1996. Tabulated with the Centrax software.

In 1996, the top mortgage lenders in La Mesa were: Home Savings of America, F.A. (36 applications); Great Western Bank (32 applications); American Savings Bank (30 applications); Accubank (29 applications); Norwest Mortgage (25 applications); and Countrywide Home Loans (22 applications).

Governmental Constraints

Actions by the City can have an impact on the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, fees, and other local programs to improve the overall quality of housing may serve as a constraint to housing development. The following public policies can affect overall housing availability, adequacy, and affordability.

Land Use Controls

The Land Use Element of the La Mesa General Plan and corresponding zoning provide for a full range of residential types and densities dispersed throughout the City. The current Land Use Element has designated 3,326 acres (54 percent) of the City's total land inventory for residential uses, including single-family homes, multi-family units, mobile homes and group quarters. Residential densities in La Mesa cover a wide spectrum, including the following categories:

- Rural Residential (1 - 2 du/ac)
- Semi-Rural Residential (3 du/ac)
- Suburban Residential (4 du/ac)
- Urban Residential (7 du/ac)
- Restricted Multiple Unit Residential (14 du/ac)
- Multiple Unit Residential (18 du/ac)
- Residential Mixed Density (7 -18 du/ac)

In addition to these residential categories, the La Mesa General Plan also provides opportunities for the integration of residential uses in traditionally commercial areas. Local Serving Commercial, Regional Commercial, and Downtown Commercial land use categories also provide for the integration of residential uses above ground floor commercial. The Mixed Use Urban category allows high intensity residential developments of up to 40 units per acre along the City's transportation corridors.

Residential Development Standards

Development in certain locations or certain project types fall under the purview of the "Urban Design Overlay Zone" and are subject to approval by the City's Design Review Board. These include most commercial zones, all projects in the West Central Specific Plan (except for single-family homes), and all residential projects with density bonuses. Recommendations of the Design Review Board will not alter the development standards of the underlying zone district, but rather focus on site design issues and building architecture.

La Mesa's residential development standards are summarized in Table 17. These residential development standards are not viewed as a constraint to housing development by local developers. The City periodically reviews and revises its development standards to ensure the orderly development of land uses and improve the quality of the physical environment.

No density limits or minimum unit size requirements are placed on residential uses in the City's commercial zones. Development density is thus a factor of the height and setback

requirements of the underlying zone, and the creativity in site design.

The City requires recreation and leisure open space in multi-family development according to the following standards:

- 500 sq.ft/unit for the first 10 units
- 400 sq.ft/unit for units 11-20
- 300 sq.ft/unit for units 21 and above

However, up to 100 square feet of the open space requirement may be fulfilled through private open space (balconies, patios, etc.). Common open space may include game courts or rooms, play lots, putting greens, roof gardens, swimming pools and similar type areas which serve all residents in a development.

The City does not have any growth measures in place.

Table 17
Residential Development Standards

	RE1	R1R	R1S	R1	R1A	R2	R3	RB
Width	100'	80'	80'	60'	60'	60'	70'	70'
Depth	100'	80'	80'	70'	70'	70'	70'	70'
Area (in s.f.)	21,800	15,000	10,000	6,000	6,000	6,000	14,000	14,000
Front Setback	20'	20'	20'	15'	15'	15'	15'	15'
Side Setback	15'	10'	10'	5'	5'	(5' per story plus 4' forwalls exceeding 100' in length)		
Rear Setback	30'	30'	30'	15'	15'			
Structure Height	20'	20'	20'	20'	20'	20'	30' (a)	30' (a)
Coverage	40%	40%	40%	40%	40%	--	--	--

(a) The maximum height of buildings in Zones R3 and RB, and buildings for which a Conditional use Permit or site development plan is required, may be increased by Special Permit.

Development and Planning Fees

The cost of development is a constraint to the implementation of affordable housing projects. Typically, the cost to develop raw land is significantly increased by the various regulations and fees local governments impose on developers. A study of the Construction Industry Federation of San Diego County estimates that raw land and improvement costs comprise approximately 35 percent of the total development cost of a single-family detached dwelling.

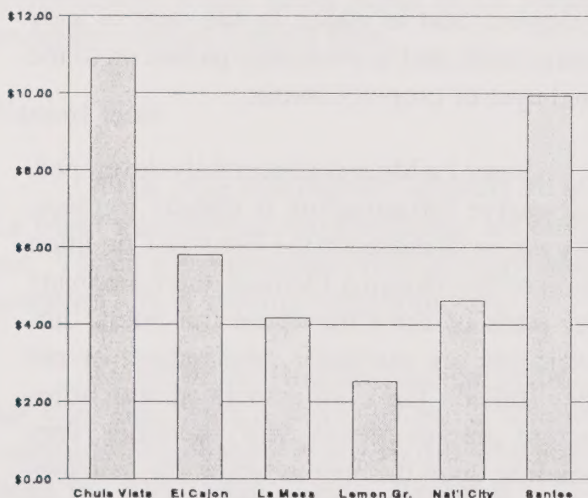
The City of La Mesa charges various fees and assessments to cover the cost of processing permits and providing certain services and utilities. Table 18 summarizes the City's planning fee requirements for residential development.

Table 18
Planning Fee Schedule
City of La Mesa

Development Process	Related Fee
Planning and Zoning	
Variance	\$700/300
Conditional Use Permit	700/350
General Plan Amend./Specific Plan	800
Zone Change or Pre-Zoning Appl'n	800
Zoning Ordinance Amendment	450
Subdivisions	
Boundary Adjustment	\$150
Certificate of Compliance	100
Extension Requests/Revisions	60
Parcel Map Waiver	150
Planned Residential Dev. Site Plan	700
Tentative Parcel Map	500+30/lot
Tentative Subdivision Map	600+30/lot
Miscellaneous Charges for Current Services	
Env. Assessment Study	\$250
Extended Initial Study	400
Env. Impact Report (EIR)	1,000
Public Hearing Notices	150
Site Plan Review	750/500/300
Design Review	750/500/300
Appeals	25

The 1998 *Draft Regional Housing Needs Statement* by SANDAG compares the per square foot development fees for a prototype project charged by jurisdictions in the County. As shown in Figure 6, La Mesa has among the lowest per-square-foot development fees among the surrounding communities. Planning and development fees in La Mesa are not considered excessive compared to surrounding communities.

Figure 6
Residential Development Fees Per Proto-
type Development
Per Square Foot Fee in 1998



Source: *Draft Regional Housing Needs Statement*, SANDAG, November 1998.

In addition to City fees charged at the time building permits are issued, developers are required to pay school impact fees to the La Mesa-Spring Valley School District and the Grossmont Union High School District.

Building Codes and Enforcement

The City of La Mesa has adopted the Uniform Building Code. This code is considered to be the minimum necessary to protect the public health, safety and welfare. No local amendment to the code has either been initiated or approved which would directly affect housing standards or processes, with one exception. The City has adopted a local fire sprinkler ordinance which requires the installation of automatic sprinkler systems in apartment buildings three or more stories in height or containing more than 15 dwelling units. While the requirement for sprinklers adds to the costs of construction, the presence of the fire sprinklers reduces the risk of injury and damage should a fire occur.

Local Processing and Permit Procedures

The evaluation and review process required by City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately manifested in the unit's selling price. The following describes typical time requirements for project processing in La Mesa:

- Zone Change - 2 to 3 months
- Site Plan Review - 1 month
- Site Plan Review Requiring Planning Commission and Council approval - 2.5 months
- Tentative Tract Map - 6 to 8 weeks

The City's Development Advisory Review Board pulls together all departments involved in project review. As a result, deficiencies are more quickly ascertained and overall processing approval time is kept to a minimum.

State Tax Policies and Regulations

Article 34 of the California Constitution:

Article 34 was enacted in 1950. It requires that low-rent housing projects developed, constructed, or acquired in any manner by any State or public agency, including cities, receive voter approval through the referendum process.

Article 34 was adopted originally to address traditional public housing projects. The California Health and Safety Code later clarifies the scope and applicability of Article 34 to exclude housing projects that have deed-restriction on less than 49 percent of the units or rehabilitation/reconstruction of housing projects that are currently deed-restricted or occupied by lower income persons.

On March 7, 1978, La Mesa residents voted to provide the City with the authority to develop, acquire, or construct 200 senior units under Article 34. To date, the City has used 128 units of its Article 34 authority for the development of La Mesa Springs, with 72 units remaining. Requiring a majority vote on a referendum to expand a city's Article 34 authority is often difficult. However, the City has been able to assist other entities in providing affordable housing through a variety of programs and forms of City involvement.

Federal and State Environmental Protection

Regulations: Federal and state regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, use permits, etc.). Costs, resulting from fees charged by local government and private consultants needed to complete the environmental analysis, and from delays caused by the mandated public review periods, are also added to the cost of housing and passed on to the con-

sumer. However, the presence of these regulations help preserve the environment and ensure environmental safety to La Mesa residents.

Infrastructure Constraints

Another factor adding to the cost of new construction is the cost of providing adequate infrastructure -- major and local streets; curbs gutters, and sidewalks; water and sewer lines; and street lighting -- which is required to be built or installed in new development. In most cases, these improvements are dedicated to the City, which is then responsible for their maintenance. The cost of these facilities is borne by developers, and is added to the cost of new housing units, and is eventually passed on to the homebuyer or property owner.

Since La Mesa is almost fully developed, an extensive infrastructure is already in place. However, as discussed in the Housing Condition section of this Housing Element, there are many older parts of the City where the public improvements are outdated, substandard, or not fully installed. The costs associated with infrastructure improvements will therefore vary depending upon the area in which the development proposal is located.

Housing Opportunities

As required by state law, the Housing Element must evaluate the opportunities which exist in La Mesa for providing additional housing as well as energy conservation with respect to residential development.

Availability of Sites for Housing Development

This section of the Housing Element evaluates the potential additional residential development which could occur in La Mesa under the current General Plan.

Vacant Sites

As an older community, virtually all of La Mesa's residential neighborhoods are built out. Vacant sites primarily consist of individual scattered lots in existing neighborhoods.

As part of this Housing Element update, the City conducted a parcel-by-parcel vacant residential site analysis based on data obtained from the San Diego County Regional Geographic Information System (SANGIS). Table 19 quantifies the number and type of housing units which could be accommodated on the City's vacant residential sites and Figure 7 illustrates the location of the City's vacant residential sites.

The Eastridge Specific Plan area is located north of Highway 94 between Spring Street and Murray Hill. This area represents the last significant opportunity for single-family construction in La Mesa.

Overall, the vacant site inventory yields an estimated average development capacity of 782 units, or a maximum development capacity of 1,065 units.

Underutilized Sites

In addition to development on vacant lands, there are also opportunities in La Mesa for residential development to occur on residential sites which are currently developed at densities lower than permitted under the General Plan. The underutilized sites are illustrated in Figure 8.

There are a variety of factors that influence the development potential of an underdeveloped lot, including size and shape of the lot, the value of the property, the location of existing buildings, and access to streets and other public facilities.

As shown in Table 20, approximately 83 acres of land designated for multi-family residential uses are currently developed with single-family homes or low-intensity multi-family units. These parcels can be recycled to higher density uses and achieve additional units. Another 27 acres of land currently occupied by deteriorating mobile home parks have also been identified by SANDAG's database and City staff as having potential to recycle to higher density residential development.

Housing Element

Table 19
Vacant Residential Site Inventory

General Plan Designation	Acres	Maximum Allowable Density	Maximum Development Potential	Average Development Density	Average Development Potential
Rural	4.7	2 du/ac	9	1 du/ac	5
Semi-Rural	5.1	3 du/ac	15	2 du/ac	10
Suburban	145.8	4 du/ac	583	3 du/ac	437
Urban	24.0	7 du/ac	168	5 du/ac	120
Multiple Unit	4.6	18 du/ac	83	14 du/ac	65
Regional Serving	6.0	18 du/ac	109	14 du/ac	84
Urban Mixed Use	2.4	40 du/ac	97	25 du/ac	61
Total	192.7		1,065		782

Notes:

1. Average density assumes at 80% of maximum allowable density.
2. For Regional Serving areas, residential development density is determined by the adoption of a specific plan. For estimation purposes, a maximum density of 18 du/ac and an average density of 14 du/ac are used.

Source: Parcel-specific GIS data on existing land use and General Plan designations obtained from SANDAG and SANGIS, with modifications by City staff.

Table 20
Underutilized Properties and Mobile Home Parks

General Plan Designation	Acres	Maximum Allowable Density	Maximum Dev. Potential	Average Dev. Density	Average Dev. Potential	Existing Units	Net Development Potential	
							Max.	Average
Underutilized Properties								
Restricted Multiple Unit	21.4	14 du/ac	299	11 du/ac	235	233	66	2
Multiple Unit	32.6	18 du/ac	587	14 du/ac	456	255	332	201
Mixed Density	28.8	18 du/ac	518	14 du/ac	403	349	170	55
Total	82.8		1,405		1,095	837	568	258
Mobile Home Parks								
Mixed Density	11.7	18 du/ac	211	14 du/ac	164	117	94	47
Urban Mixed Use	2.4	40 du/ac	94	25 du/ac	59	24	71	35
Regional Serving	13.3	18 du/ac	239	14 du/ac	186	133	106	53
Total	27.4		545		409	274	271	135
TOTAL	110.2		1,949		1,504	1,110	839	394

Notes:

1. Average density assumes at 80% of maximum allowable density.
2. The number of existing units in mobile home parks is estimated based on the typical development density of 10 units per acre.
3. The number of existing single-family units on multi-family designated lots is assumed at one unit per parcel.

Source: Parcel-specific GIS data on existing land use and General Plan designations obtained from SANDAG and SANGIS with modifications by staff.

One of the City's more active areas of residential recycling is the West Central Specific Plan area located between I-8 and El Cajon Boulevard. The average density of existing residential development in this area is about 10 units per acre. This is relatively low in comparison to the permitted densities in this area (18 units per acre under the Mixed Density Residential designation and 40 units per acre under the Urban Mixed Use designation).

Overall, subtracting the existing units on site, the underutilized parcels and mobile home parks in La Mesa could potentially achieve an additional 394 housing units based on average development densities, or 839 units based on maximum development densities. Table 20 summarizes the residential development potential on underutilized sites and mobile home parks.

Mixed Use Sites

As a means of providing increased opportunities for residential development and to assist in revitalization of some of the City's lower intensity commercial corridors, the La Mesa General Plan has established an Urban Mixed Use designation. The intent of this designation is to provide additional opportunities for multi-family infill (up to 40 units per acre) along University Avenue, El Cajon Boulevard, and La Mesa Boulevard either integrated with commercial uses within a given development, or developed as separate residential projects.

A total of 183 acres of low-intensity uses along the commercial corridors are designated as Urban Mixed Use in the City's General Plan. Figure 9 illustrates the location of these properties. Based on the physical condition and

economic viability of these uses, City staff estimate that 70 percent (128 acres) of these uses could be recycled to higher intensity uses under the Urban Mixed Use category over the long run. However, only 20 percent (25.6 acres) of the 128 acres of low intensity commercial uses are considered by staff to have realistic redevelopment potential over the next five years. For purpose of this analysis, 50 percent (12.8 acres) of these Urban Mixed Use properties are assumed to have the redevelopment potential for residential uses with the remaining 50 percent to be redeveloped for higher intensity commercial uses. As shown in Table 21, residential development potential on these Urban Mixed Use properties is estimated at 320 units based on an average development density or 513 units based on the maximum development density.

In addition, the City has identified two target sites that have mixed use residential redevelopment potential. These are the Grossmont Trolley Station site and the Metropolitan Transit Development Board's property east of Baltimore Drive. Combined, these two target sites total 10 acres. City staff estimate that up to 400 units can be achieved on these sites under the maximum development potential of 40 units per acre. Average development potential of 25 units per acre can yield 250 units on these sites (see Table 21).

The City has also identified the Central Area Redevelopment Project as having mixed use development potential. A total of 48 acres of property, located in the Central Area Redevelopment Project are available for potential mixed use development which could include housing. Figure 9 illustrates the location of the Central Area Redevelopment Project properties. Based on physical condition and economic

Housing Element

viability of these uses, City staff estimates that 70 percent (33.6 acres) of these properties could be recycled to higher intensity uses over the long run. However, only 25 percent (8.4 acres) of these properties are considered by staff to have realistic redevelopment potential over the next five years. For purposes of this analysis, 50 percent (4.2 acres) of these properties are assumed to have the redevelopment potential for residential uses with the remaining 50 percent to be redeveloped for higher intensity commercial uses. As shown in Table 21, residential development potential on these properties is estimated at 105 units based on an average development density or 169 units based on the maximum density.

La Mesa also provides additional opportunities for residential development by allowing multi-family residential in all commercial zones. Residential uses are permitted by right above ground floor retail or office uses subject to the same development standard as the underlying commercial zone. Historically, residential development in commercial zones tended to develop at densities of 20 units per acre or above.

**Table 21
Redevelopment Sites**

General Plan Designation	Acres	Maximum Allowable Density	Maximum Development Potential	Average Development Density	Average Development Potential
Grossmont Trolley Station/ MTDB Baltimore Site	10.0	40 du/ac	400	25 du/ac	250
Central Area Redevelopment Project	4.2	40 du/ac	169	25 du/ac	106
Urban Mixed Use	12.8	40 du/ac	513	25 du/ac	320
Total	27.0		1,082		676

Source: Parcel-specific GIS data on existing land use and General Plan designations obtained from SANDAG and SANGIS with modifications from City staff.

Availability of Public Services and Facilities

As a highly urbanized community, public facilities are available to facilitate development throughout La Mesa. All of the land designated for residential use is served by sewer lines, water lines, streets, storm drains, telephones, and electrical and gas lines.

Residential Development Potential Compared with La Mesa's Regional Housing Needs

The *Regional Housing Needs Statement* (RHNS) prepared by SANDAG has identified a future housing need for La Mesa as 693 units for the period of 1999-2004. Combining the residential development potential on vacant, underutilized, and redevelopment parcels, as well as mobile home parks, development potential can be estimated at 1,851 housing units based on average development densities or 2,985 units based on maximum development densities.

The State Department of Housing and Community Development (HCD) uses the following development density and affordability guidelines:

- Very Low Income - 25 units per acre
- Low Income - 18 units per acre
- Moderate Income - 8 units per acre

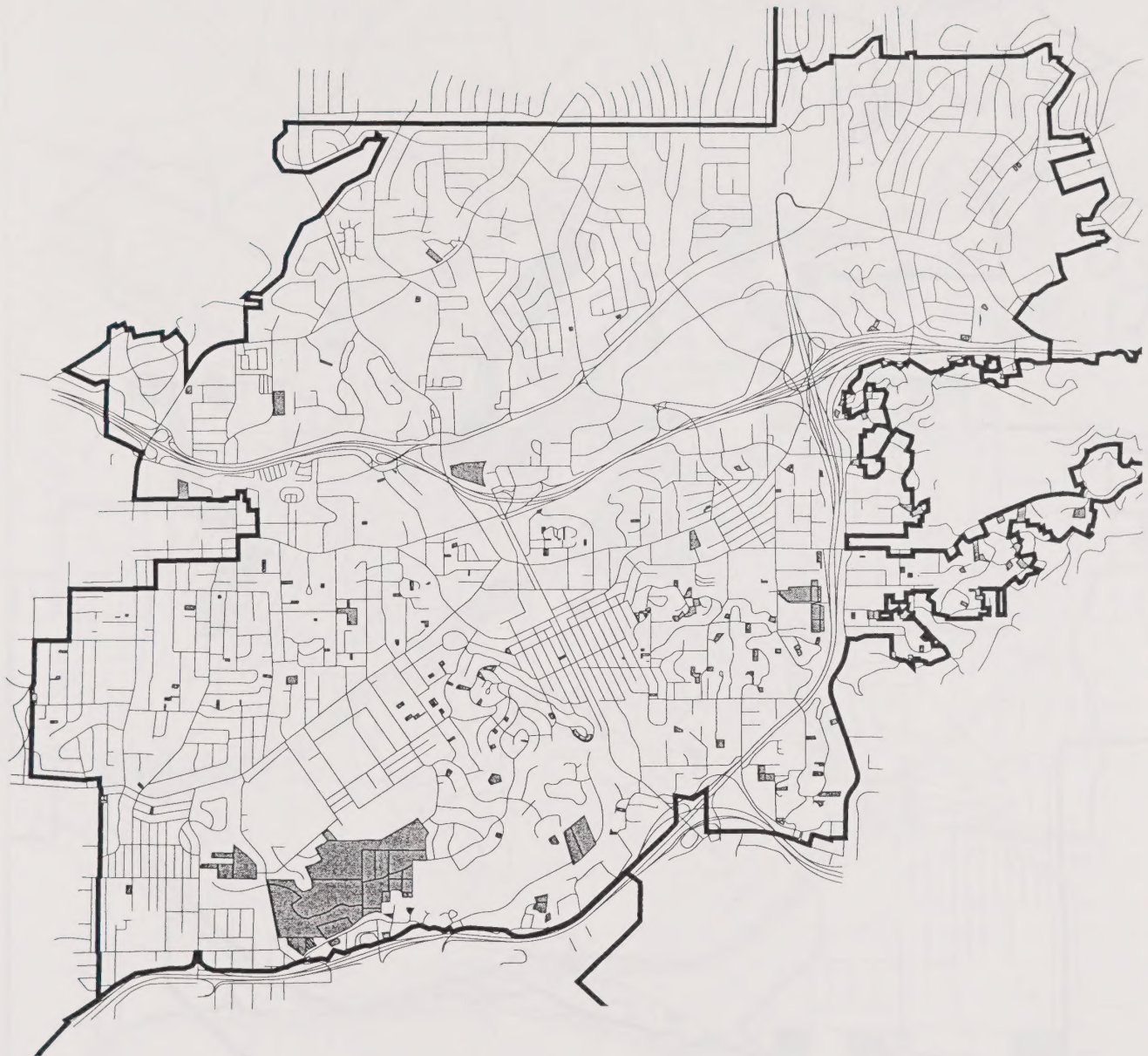
As shown in Table 22, La Mesa's site inventory can potentially accommodate 772 units for very low income households and 507

moderate income households based on the average development potential. Given that housing units affordable to very low income households should be affordable to low income households, the site inventory would be adequate to accommodate the lower income household growth established by the RHNS.

Furthermore, at maximum development densities, the site inventory can accommodate 1,250 very low income households, 894 low income households, and 66 moderate income households, significantly above the regional housing needs for lower and moderate income households.

Table 22
Summary of Site Inventory by Income Level

Income Level	Affordability at Corresponding Density Level	Site Inventory Capacity		RHNS
		Average Development Potential	Maximum Development Potential	
Very Low Income (0-50% MFI)	25+ du/ac	772	1,250	141
Low Income (51-80% MFI)	18+ du/ac	0	894	109
Moderate Income (81-120% MFI)	8+ du/ac	507	66	159
Upper Income (>120% MFI)	1-7 du/ac	572	775	284
Total		1,851	2,985	693



Vacant Parcels



City Boundary



0' 2000' 4000'

Figure 7
Residential Site Inventory-
Vacant Sites

Housing Element

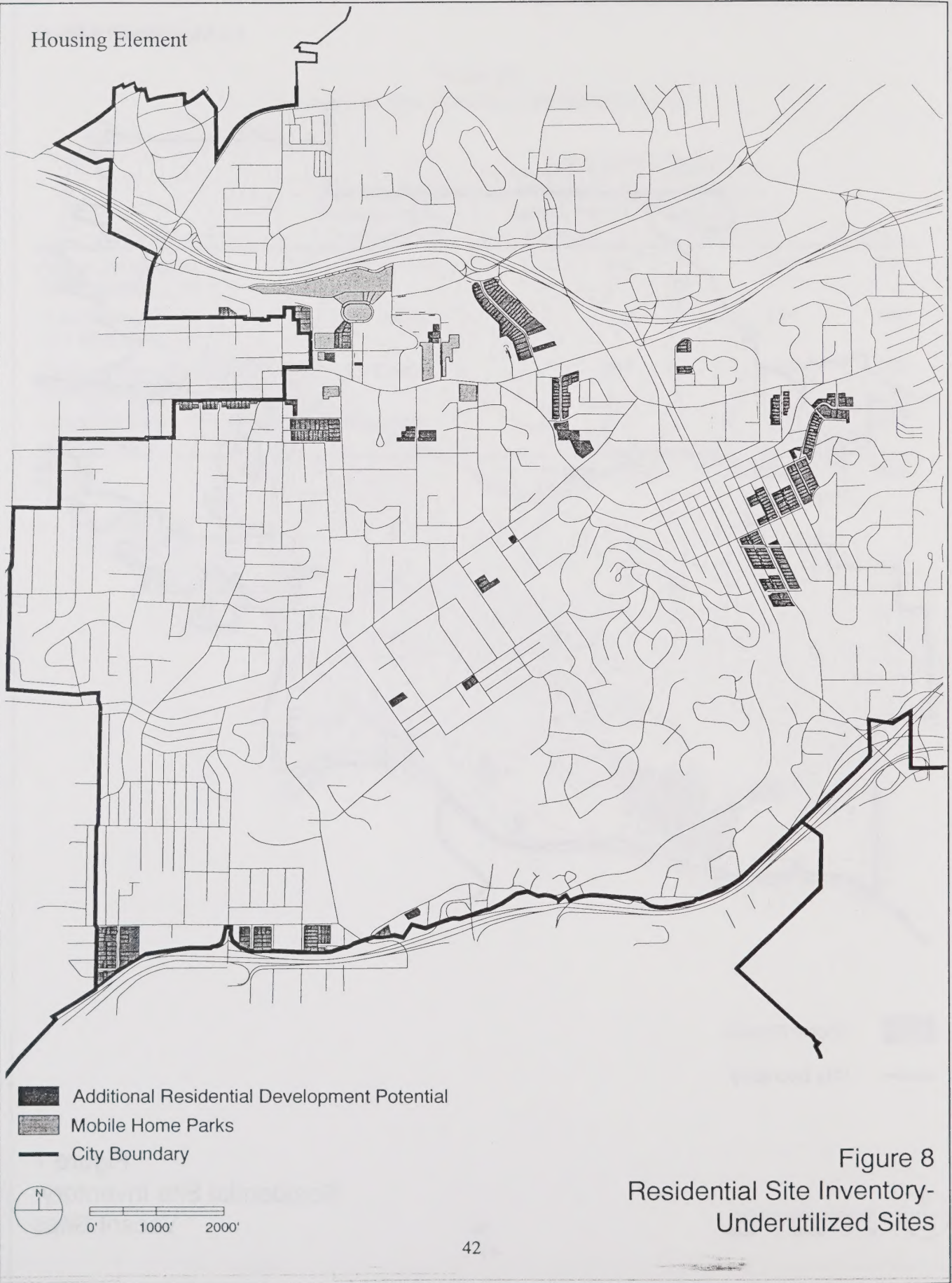
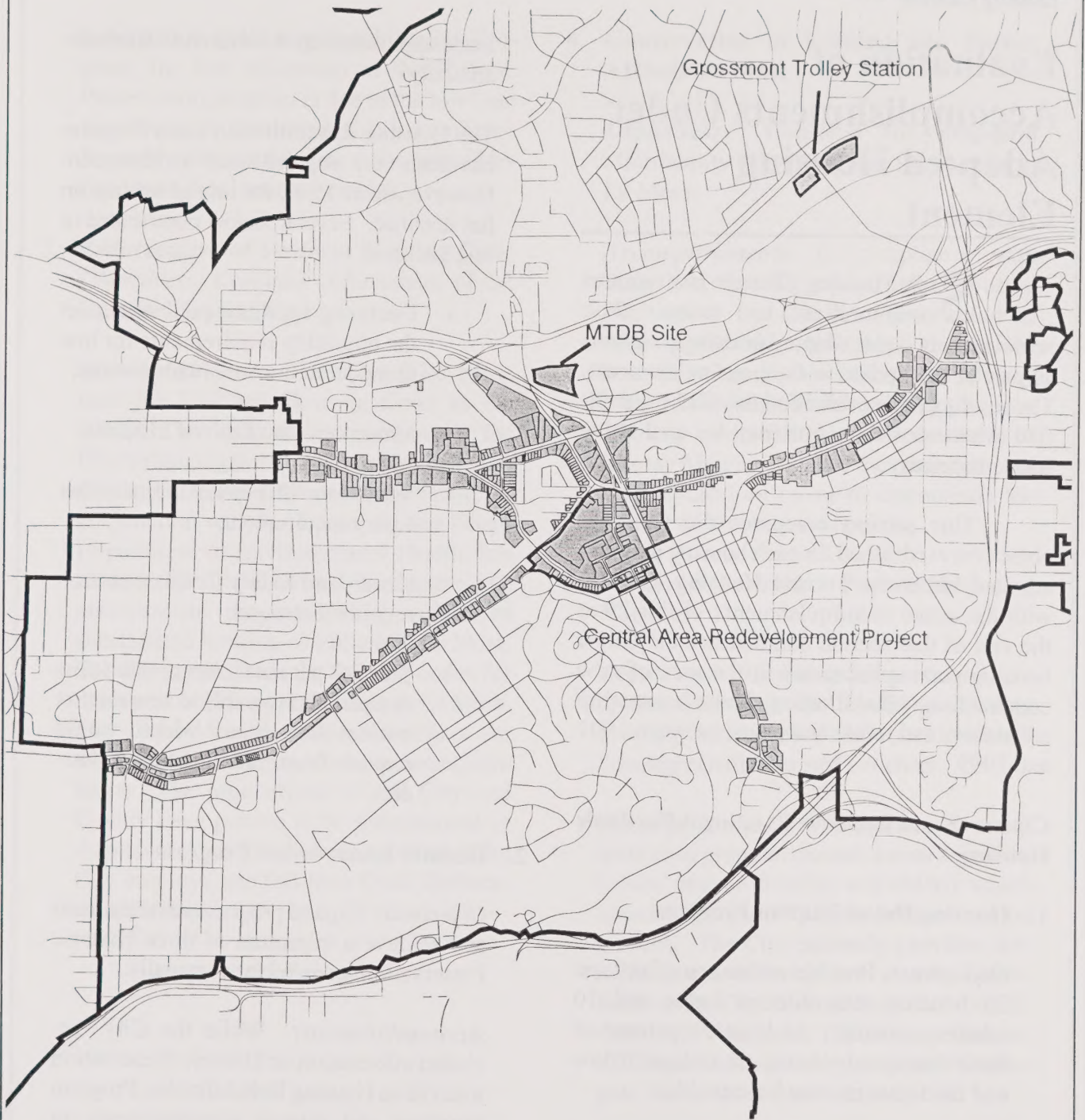


Figure 8
Residential Site Inventory-
Underutilized Sites



Note: The potential sites shown on this map reflect and are consistent with the land use designations of the adopted General Plan. The Housing Element proposes no changes to the existing land use designations.

-  Mixed Use Sites
-  City Boundary



0' 1000' 2000'

Figure 9
Residential Site Inventory-
Redevelopment Sites

Evaluation of Accomplishments Under Adopted Housing Element

State Housing Element law requires communities to assess their achievements under adopted housing programs as part of the update to the housing elements. The results of this evaluation should be quantified where possible, but may be qualitative where necessary.

This section compares the five-year objectives established for each housing program adopted under the current Housing Element with the actual accomplishments. Table 23 at the end of this section summarizes the City's housing accomplishments in the area of new construction, rehabilitation, home ownership assistance, and rental assistance between 1991 and 1999.

Conserve and Improve Existing Affordable Housing

1. Housing Rehabilitation Program

Objectives: Provide assistance of at least 26 housing rehabilitation loans and 10 rebates annually. At least 51 percent of these loans and rebates are to benefit low and moderate income households.

Accomplishments: The Housing Rehabilitation Program represents the City's major effort to maintain and improve its housing stock, and is administered using CDBG funds. Between 1991 and 1999, the City

made approximately 8 loans and 10 rebates annually.

The Housing Rehabilitation Loan Program has been very popular since its inception. However, since 1996, the rate of utilization has declined. Several factors contributed to this decline:

- Declining applicant pool who meet the eligibility requirements for low to moderate income homeowners;
- Maximum loan limit of \$15,000;
- Minimum 20 percent homeowner equity requirement;
- Health and Safety Code correction requirements; and
- The 5-7 percent interest rate loans compare unfavorably to low market interest rate loans which would require fewer administrative hurdles.

2. Historic Preservation Program

Objectives: Expand program advertisement and achieve a minimum of three Historic Preservation loans/rebates annually.

Accomplishments: While the City included information on Historic Preservation loans in its Housing Rehabilitation Program brochure and related advertisements to expand program marketing, the City provided a deferred loan to only one qualified applicant between 1991 and 1999. There was no application for Historic Preservation rebates during this period.

Similar to the Housing Rehabilitation Program, the low utilization of the Historic Preservation program is due to the low loan limit and high interest rates do not compare favorably with market rate loans offered by the commercial lending market.

3. **Enforcement of Uniform Housing Code**

Objectives: Continue enforcement of the Uniform Housing Code.

Accomplishments: The City of La Mesa uses the Uniform Housing Code as the standard for code enforcement under the City's Housing Rehabilitation Program. The City's Building Inspection Division, in conjunction with the County of San Diego Department of Environmental Health, has continually implemented an aggressive enforcement program which addresses substandard housing conditions in La Mesa. The County enforces the housing codes for apartment buildings and motels in La Mesa. The City addresses code enforcement for the remaining housing stock on a complaint basis. The joint efforts of the City and County have proven to be instrumental in maintaining the City's housing stock. The City employs one full-time Code Enforcement Officer.

4. **Conservation of Existing and Future Affordable Units**

Objectives: Conserve the long-term affordability of existing and future units in La Mesa.

Accomplishments: In compliance with State law, the City updated the Housing Element to include the *Preservation of Assisted Housing At-Risk of Conversion* analysis. The analysis identified Murray Manor as the only at-risk housing projects. The City continues to monitor the status of Murray Manor. To date, the owner has not yet indicated an intent to discontinue the project as low-income housing.

5. **Section 8 Assistance Payment/Housing Vouchers**

Objectives: Continue to participate in applications from the San Diego County Housing Authority for additional Section 8 housing certificates and vouchers.

Accomplishments: The Section 8 rental assistance program extends rental subsidies to low income families and elderly which spend more than 30 percent of their income on rent. The City currently provides rent subsidies to 467 very low income households in the City through Section 8 Certificates and Vouchers. The average number of households assisted per quarter for the past two years is approximately 500.

6. Senior Shared Housing

Objectives: Through advertisements in the City newsletter and placement of program brochures in key community locations, continue to assist in program outreach efforts to achieve 12 senior matches annually.

Accomplishments: The City has continued to fund the East County Council on Aging to administer its Shared Housing Program. The program achieves approximately 30 senior matches annually.

Provide Adequate Sites

7. Land Use Element

Objectives: Continue to maintain an inventory of sites suitable for residential development and provide appropriate land use designations to fulfill the City's share of regional housing needs. This share was identified as 1,406 dwelling units for the time period 1991 to 1999.

Accomplishments: In 1996, the City updated its General Plan, including the Land Use and Urban Design Element. As part of the General Plan update, the City reevaluated its land use patterns and residential development potential. The revised General Plan Land Use Map takes into account the City's housing growth needs and offers a range of land use designations ranging from Semi-Rural Residential at three units per acre to Mixed Use Urban at 40 units per acre.

8. Sites for Homeless Shelters/ Transitional Housing

Objectives: Support and coordinate with Heartland Human Relations and other social service providers and churches to address the needs of the homeless. Continue to allow transitional and emergency housing by Conditional Use Permit (CUP) in commercial and multi-family residential zones.

Accomplishments: The City has continued to contribute CDBG monies to Heartland Human Relations to provide services to the homeless, including overnight shelter referrals.

In addition, CDBG funds are provided to the San Diego Youth and Community Services to assist the homeless youth; to the Center for Community Solutions to support the battered women's shelter; and to the San Diego County Cold Weather Shelter Voucher Program.

Through provisions adopted in the La Mesa Zoning Ordinance, the City continues to allow for the development of transitional and emergency housing in commercial and multi-family residential zones subject to the approval of a Conditional Use Permit.

Assist in Development of Affordable Housing

9. Facilitate Development of Higher Density Housing

Objectives: Facilitate the development of higher density infill housing in targeted areas of the City by publicizing the West Central Specific Plan Area and areas designated Mixed Use Urban.

Accomplishments: The West Central Specific Plan Area has been targeted as a location in which the City wishes to encourage the recycling of the older lower density housing stock to higher density affordable housing. The City has yet to develop a zoning category to implement the Mixed Use Urban category.

10. Density Bonus Program

Objectives: Inform residential development applicants of opportunities for density increases. Revise Zoning Ordinance to reflect current State density bonus standards.

Accomplishments: The La Mesa Zoning Ordinance incorporates a bonus point system for the provision of specified project amenities including low and moderate income, large family and handicapped-accessible housing. The Campina Apartments was developed with a density bonus for providing affordable housing for very low and low income households.

11. Land Assemblage & Write-Down

Objectives: Provide land write-downs for development of low and moderate income housing. Facilitate the development of 100 units of affordable housing through land write-down incentives.

Accomplishments: The City provided land write-down assistance for the construction of the 60-unit Campina Court Apartments by acquiring the land from Caltrans and offering the site as a \$1 per year lease to the project owner, La Mesa Family Housing Partnership. Of the total units constructed,

12 are for very low income households and 48 are for low income households. The project will remain affordable to very low and low income households for the entire 55-year lease agreement.

12. Senior Housing Development Incentives

Objectives: Continue to provide incentives for the development of affordable senior housing through implementation of its senior housing policy.

Accomplishments: Due to the economic recession that plagued the early part of this 1991-1999 Housing Element period, housing construction in the City has been slow. In addition, it has become increasingly difficult for non-profit housing developers to compete for the diminishing Section 202/811 funding allocation for the construction of housing for the senior and disabled. As a result, no senior housing project was proposed in La Mesa during the 1991-1999 period despite the incentive policy offered by the City.

13. Shared Equity Program/ Downpayment Assistance

Objectives: Establish program guidelines and set up a shared equity program to provide home ownership opportunities to low and moderate income households.

Accomplishments: This program is intended to provide a financing tool for lower income households to purchase a home by sharing the costs of home ownership with a sponsor. While the City did not establish a shared equity program, the City established a Mortgage Credit Certificate (MCC) pro-

gram through the Countywide program. Since its inception in February 1994, 39 La Mesa households received MCCs through the program.

14. Nonprofit Housing Development Corporation

Objectives: Solicit the participation of nonprofit housing developers in City-sponsored housing projects to encourage the development of affordable housing in La Mesa.

Accomplishments: The City continues to work with nonprofit housing developers to develop affordable housing in La Mesa. During 1991-1999, the City contracted with the non-profit developer Housing Opportunities, Inc. for the construction and management of the 60-unit Campina Court Apartments. The project was completed in 1996 and will be affordable for the entire land lease agreement of 55 years.

In addition, the construction of the 244-unit Howard Gilmore Terrace and acquisition of the 56-unit La Mesa Park provided 300 affordable housing units for military personnel in the region. These two projects provide some relief for the affordable housing market in La Mesa.

Remove Governmental Constraints

15. Zoning Ordinance

Objectives: Revise the Zoning Ordinance to incorporate State density bonus provisions, and implement a Mixed Use Urban category at a density of 40 units per acre.

Accomplishments: The La Mesa Zoning Ordinance contains density bonus provisions for affordable housing for senior and disabled persons. The City has not yet incorporated density bonus policies that are consistent with the State density bonus provisions into the Zoning Ordinance. Nevertheless, a density bonus was granted to Campina Court for providing affordable housing for families.

The City has not yet revised its Zoning Ordinance to accommodate a Mixed Use Urban category. However, due to the slow housing growth, no development utilizing the Mixed Use Urban land use designation was proposed.

16. Development Fees

Objectives: Offer reduced fees for provision of affordable housing.

Accomplishments: Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities. The City's residential development fees are already at a level that is considered among the lowest in San Diego County; therefore, the fees were not reduced further.

Promote Equal Housing Opportunities

17. Fair Housing

Objectives: Continue to support Heartland Human Relations and Fair Housing Association to provide fair housing services and assist in program outreach.

Accomplishments: The City continues to provide an allocation of \$24,000 annually in CDBG funds to support Heartland Human Relations and Fair Housing Association in order to provide fair housing services to La Mesa residents.

In addition, the City conducted an *Analysis of Impediments (AI) to Fair Housing Choice* in 1996 to assist the City in making fair housing planning. The AI included a number of actions which the City will continue to implement to further fair housing.

Table 23
1991-1998 Housing Accomplishments
City of La Mesa

Activities	Households Assisted
New Construction	371
Rehabilitation Loans/Rehates	124
Acquisition	56
Home Ownership Assistance	8
Section 8/Rental Assistance	467
TOTAL	1,026

Sources:

1. SANDAG Housing Needs Performance Report, 1997.
2. San Diego County Housing Authority, December 1998.
3. City of La Mesa

1,406 new units between June 30, 1991 and July 1, 1999. This need for 1,406 new units is divided into four income levels as shown below in Table 24.

According to the City's records, a total of 371 housing units have been constructed between 1991 and 1998. These include the 60-unit affordable housing Campina Apartments, the 244-unit Howard Gilmore Terrace project which provides military housing, and another 67 housing units constructed by private developers. Overall, the City fulfilled 26 percent of its share of regional housing needs.

Among the 60 units at Campina Court, 12 are affordable to very low income households and 48 are affordable to low income households. Among the 244 units at Howard Gilmore Terrace, 88 are affordable to very low income households and 156 are affordable to low income households. In addition, 6 of the 67 privately developed housing units are second units affordable to very low income households. Assuming the remaining 61 privately developed units are affordable only to upper income households, the City of La Mesa fulfilled 33 percent of the very low income housing needs, 85 percent of the low income housing needs, and 11 percent of the upper income housing needs between 1991 and 1998.

Share of Regional Housing Growth

State law requires a local jurisdiction to provide for its share of regional housing needs. The 1990 *Regional Housing Needs Statement* by the San Diego Association of Governments (SANDAG) determined that the City of La Mesa's share of the regional housing need was

Table 24
Share of Regional Housing Needs
City of La Mesa

Income Category	Share of Regional Housing Needs	Units Built	% of Needs Fulfilled
Very Low (0-50% MFI)	323	106	33%
Low (51-80% MFI)	239	204	85%
Moderate (81-120% MFI)	295	0	0%
Upper (> 120% MFI)	549	61	11%
TOTAL	1,406	371	26%

Sources:

1. SANDAG Housing Needs Performance Report.
2. City of La Mesa

come households between 1991 and 1996, or 136 percent of its fair share. Through a variety of rental assistance, homebuyer assistance, new construction, acquisition programs, La Mesa assisted 360 very low income, 236 low income, and 20 moderate income households between 1991 and 1996. This level of accomplishment renders the City eligible to self-certify the housing element for the 1999-2004 cycle.

Fair Share of Affordable Housing Goal

In addition to identifying each jurisdiction's share of regional housing needs, SANDAG also allocates each jurisdiction's fair share of affordable housing goals. "Fair share of affordable housing goal" refers to the number of lower income households (80 percent of the County MFI) requiring assistance during a housing element cycle. The *Regional Housing Needs Statement* for the 1991-1999 period identifies a fair share of 3,612 households in La Mesa.

SANDAG establishes a target of good faith effort for each jurisdiction that is considered to be realistically achievable within the housing element cycle. This good faith effort is established at 12.5 percent or 452 households for La Mesa. According to City and SANDAG records, La Mesa provided affordable housing opportunities to 616 lower and moderate in-

Redevelopment Housing Set-Aside Fund

State Redevelopment Law provides the mechanism whereby cities and counties within the state can, through adoption of an ordinance, establish a redevelopment agency. The Agency's primary purpose is to provide the legal and financial mechanism necessary to address blighting conditions in the community through the formation of a redevelopment project area(s). Of the various means permitted under State Law for financing redevelopment implementation, the most useful of these provisions is tax increment financing. This technique allows the assessed property valuation within the redevelopment project area to be frozen at its current assessed level when the redevelopment plan is adopted. As the property in the project area is improved or resold, the tax increment revenue generated from valuation increases above the frozen value is redistributed to the redevelopment agency to finance other redevelopment projects.

State Redevelopment Law also requires the redevelopment agency to address housing issues for low and moderate income residents in the following ways:

- expend 20 percent of the tax increment revenue to increase and improve the supply of low and moderate income housing;
- replace low and moderate income housing which is destroyed as a result of a redevelopment project (replacement housing obligation); and

- ensure that a portion of all housing constructed or substantially rehabilitated in a redevelopment project area be affordable to low and moderate income households (inclusionary housing obligation).
- provide relocation assistance to households displaced due to agency actions.

Redevelopment in La Mesa

In July 1964, the La Mesa City Council formed the La Mesa Community Redevelopment Agency. Since its formation, the Agency has adopted three redevelopment plans in the City:

- Central Area (1973)
- Fletcher Parkway (1985)
- Alvarado Creek (1987)

Redevelopment Housing Set-Aside Fund

Pursuant to State law, the La Mesa Redevelopment Agency has established a Redevelopment Housing Set-Aside Fund using 20 percent of the tax increment revenue. However, the Agency has adopted findings allowing the Agency to defer set-aside funds from the Central Project Area.

According to the *AB 1290 Implementation Plan* for 1995-1999, the Agency anticipates an annual deposit of about \$200,000 or \$1,000,000 over a five-year period. Since set-

Housing Element

aside funds are a function of property tax revenues, the amount of future deposits will depend on factors such as market conditions and the timing of new taxable development. The Agency is in the process of updating its Five-Year Redevelopment Implementation Plan to determine the replacement and inclusionary housing obligations, as well as the specific uses of set-aside funds.

State law sets forth a variety of options for localities to expend their housing funds, including the following:

- Land disposition and write-downs
- Site improvements
- Loans
- Issuance of bonds
- Land and building acquisition by Agency
- Direct housing construction
- Housing rehabilitation
- Rent subsidies
- Predevelopment funds
- Administrative costs for non-profit housing corporations

During the time period of this Housing Element, the La Mesa Redevelopment Agency intends to use its set-aside funds to support the following housing programs:

- Multi-Family Acquisition and Rehabilitation
- Conservation of Existing and Future Affordable Units
- Land Assemblage and Write-Down
- Development Fee Assistance

The Housing Plan section of this Element describes these programs in detail and establishes objectives for this five-year cycle.

Housing Plan

The five-year Plan is the centerpiece of the 1999-2004 Housing Element for La Mesa. The Housing Plan sets forth the City's goals, policies, and programs to address La Mesa's identified housing needs.

Goals and Policies

This section of the Housing Element contains the goals and policies the City of La Mesa intends to implement in order to address a number of important housing-related issues. The following five major issue areas are addressed by the goals and policies of this Element:

- Ensure that a broad range of housing types are provided to meet the needs of the existing and future residents;
- Ensure that housing is maintained and preserved;
- Increase opportunities for home ownership;
- Ensure the availability of housing-related services for special needs populations;
- Promote equal housing opportunity.

Maintenance and Preservation

The City's goal is to preserve the existing housing stock and to avoid a degree of physical decline that will require a larger rehabilitation effort to restore quality and value. As an older community with nearly half its housing stock over 30 years old, it is important that the City facilitates an ongoing housing maintenance program. In addition, it is important to conserve affordable housing units in the community to maintain adequate housing opportunities for all residents.

Housing Goal 1

To maintain and enhance the quality of existing residential neighborhoods in La Mesa.

Policy 1.1: Continue to provide rehabilitation assistance to economically depressed areas and lower income property owners/tenants to correct housing deficiencies.

Policy 1.2: Continue to utilize the City's code enforcement program to bring substandard units into compliance with City codes and to improve overall housing conditions in La Mesa.

Policy 1.3: Promote increased awareness among property owners and residents of the importance of property maintenance to long-term housing quality.

Policy 1.4: Utilize neighborhood revitalization strategies to focus financial resources and efforts in improving targeted neighborhoods.

Policy 1.5: Educate owners of historic properties on the benefits of home repair and remodel-

Housing Element

ing using design and materials consistent with the character of their neighborhood.

Policy 1.6: Preserve “at-risk” affordable units through monitoring, working with potential nonprofit purchasers/managers, exploring funding sources available to preserve the at-risk units.

Policy 1.7: Upgrade substandard infrastructure, such as storm drains and sidewalks, to benefit lower income neighborhoods.

Housing Opportunities

The City of La Mesa encourages the production of new housing units that offer a wide range of housing types to ensure that an adequate supply is available to meet the existing and future needs of all groups. The provision of a balanced inventory of housing in terms of unit type (e.g., single-family, apartment, condominium, mixed residential/commercial), cost and style will allow the City to fulfill a variety of housing needs.

Housing Goal 2

To encourage adequate provision of a wide range of housing by location, type of unit, and price to meet the existing and future needs of La Mesa residents.

Policy 2.1: Provide a variety of residential development opportunities in the City, including single-family homes, townhomes, apartments, condominiums, and residential mixed use to fulfill regional housing needs.

Policy 2.2: Encourage the production of housing for all segments of the La Mesa population, including those with special needs.

Policy 2.3: Facilitate the development of low and moderate income housing by offering developers incentives such as: 1) density bonuses; 2) low interest or tax-exempt financing; 3) City participation in on- and off-site public improvements; and 4) flexibility in zoning and development standards.

Policy 2.4: Assist residential developers in identifying land suitable for housing development.

Policy 2.5: Encourage housing constructed expressly for low and moderate income households not be concentrated in any single portion of the City.

Policy 2.6: Encourage the development of housing for the elderly by offering density bonuses and other zoning incentives, such as reduced parking requirements, and encourage such housing to be located within close proximity to community facilities and transportation services.

Policy 2.7: Encourage the development of residential units that are accessible to handicapped persons or are adaptable for conversion to residential use by handicapped persons.

Policy 2.8: Encourage developers to employ innovative solutions to meet housing needs, including adaptive reuse of existing non-residential buildings.

Policy 2.9: Encourage the development of mixed use residential projects along the City’s commercial corridors.

Policy 2.10: Monitor all regulations, ordinances, departmental processing procedures and fees related to the rehabilitation and/or construction of dwelling units to assess their impact on housing costs.

Home Ownership

The option of home ownership has become a privilege in Southern California which is often not available to lower and even moderate income households or potential first time home buyers. While condominiums offer a relatively affordable home ownership option in La Mesa, the downpayment serves as a barrier to many potential home buyers.

Housing Goal 3

To provide increased opportunities for home ownership.

Policy 3.1: Provide favorable home purchasing options to low and moderate income households, such as interest rate write-downs, downpayment assistance, and mortgage credit certificates.

Policy 3.2: Encourage alternatives forms of home ownership, such as shared equity ownership and limited equity cooperatives.

Affordable Housing Support Services

In addition to policies designed to increase the availability and adequacy of the City's affordable housing stock, it is important that support services are available that ensure efficient utilization of the housing stock. Of particular importance in La Mesa are housing related services for the elderly, handicapped and the homeless.

Housing Goal 4

To provide housing support services to address the needs of the City's low and moderate income residents.

Policy 4.1: Continue to support and actively market shared housing as an affordable housing option for seniors.

Policy 4.2: Continue to support and coordinate with social service providers and regional agencies to address the housing-related needs of La Mesa residents, particularly those with special needs.

Fair Housing

In order to make adequate provision for the housing needs of all economic segments of the community, the City must ensure equal and fair housing opportunities are available to all residents.

Housing Goal 5

To promote equal opportunity for all residents to reside in the housing of their choice.

Policy 5.1: Prohibit discrimination in the sale or rental of housing with regard to race, color, religion, sex, familial status, disability, and national origin.

Policy 5.2: Continue to further fair housing choices through actively expanding housing opportunities and removing impediments to fair housing.

Housing Implementation Programs

The goals and policies contained in the Housing Element address La Mesa's identified housing needs and are implemented through a series of housing programs. Housing programs define the specific actions the City will take to achieve specific goals and policies. The City of La Mesa's overall housing program strategy for addressing its housing needs has been defined according to the following issue areas:

- Conserving and improving the condition of the existing stock of affordable housing.
- Providing adequate sites to achieve a variety and diversity of housing.
- Assisting in the development of affordable housing.
- Removing governmental constraints as necessary.
- Promoting equal housing opportunity.

Housing programs include both programs currently in operation in the City and new programs which have been introduced to address the City's unmet housing needs. This section provides a description of each housing program, and future program goals. The Housing Program Summary (Table 25) located at the end of this section summarizes the future five-year goals of each housing program, along with identifying the program funding source, responsible agency, and time frame for implementation.

Conserving and Improving Existing Affordable Housing

Given the age of the City's housing stock, a comprehensive housing rehabilitation program is critical in addressing the issue of deferred housing maintenance. In addition, the City must also conserve affordable housing units in the community to ensure adequate housing opportunities are available to all residents.

1. **Housing Rehabilitation Program:** The Housing Rehabilitation Program provides loans and rebates to income-qualified households to correct Health and Safety Code violations and make essential repairs. The maximum loan limit is \$25,000 with a minimum equity requirement of 10 percent.

In order to concentrate the rehabilitation effort, Target Areas have been identified based on information gathered from census data, City housing conditions survey, and blight studies. Depending on the applicant's income, rehabilitation assistance may also be provided outside the Target Areas. Figure 5 on page 18 identifies the two Target Areas -- Northmont and Vista/La Mesa.

The Housing Rehabilitation Program has the following components:

a. Target Area Loans and Rebates

- 5% interest loans - for households earning up to 120% of County Median Family Income (MFI)
- 7% interest loans - for households earning above 120% of County MFI

- Rebates for 50% of minor repair or cosmetic improvement costs for up to \$500 per unit

b. Citywide Loans

- 0% interest deferred loans - for households earning up to 60% of the County Median Family Income (MFI)
- 3% interest loans - for households earning up to 80% of County MFI

Five-Year Objectives:

- The City will augment current program funding with HOME funds, adopt liberalized program guidelines, and expand marketing efforts to enhance program utilization.
- The City's annual assistance goal is to provide 10 rehabilitation loans and rebates.
- After one year of program implementation, the City will evaluate its effectiveness and make future funding recommendations accordingly.

2. **Historic Preservation Program:** The City of La Mesa's Historic Preservation Element includes several programs for implementation, including an Historic Preservation Loan Program. This program uses CDBG funds to assist in the preservation of La Mesa's historic residential and commercial properties by providing financial and technical assistance to owners of properties listed in the "Historic Preservation Element and Inventory." All property improvements made through the Historic Preservation Program must be referred to the Historic

Housing Element

Preservation Commission to determine whether improvements are consistent with the Federal guidelines for historic rehabilitation, and with the City's local ordinance.

Low interest loans are made to property owners through the Bank of America's City Improvement and Restoration Program. CDBG funds are used to collateralize 50-75 percent of the loan principal. Two types of loans are available to residential property owners depending on the gross annual household income of the applicant:

a. Reduced Interest Rate Residential Loan

- For property owners earning up to 120% of County MFI
- Maximum loan amount is \$25,000
- Maximum term is 15 years

b. Below Market Interest Rate Residential Loan

- For property owners earning more than 120% of County MFI
- Maximum loan amount is \$25,000
- Maximum term is 15 years

Based on the Citywide availability of 0% deferred and 3% loans for low income property owners (earning up to 80% of County MFI), it is intended that those who qualify for lower interest loans would apply through the Housing Rehabilitation Program.

Five-Year Objectives:

- The City will continue to advertise through the City's Housing Rehabilitation Program brochure.
- The City plans to achieve a minimum of three Historic Preservation loans/rebates annually.

3. **Single-Family Acquisition and Rehabilitation:** This new program being proposed by the City will utilize HOME funds to enable low income (80% of County MFI) households to purchase their first home within the West End Revitalization Area, illustrated in Figure 10. The City will utilize a nonprofit agency to acquire and rehabilitate deteriorated single-family homes located within the Revitalization Area. Assistance will be provided in the form of a loan that is secured by a deed of trust. The maximum loan amount is \$30,000 per unit. The loan will be repayable when the property is sold, leased, rented, refinanced, transferred, or vacated within 5 years from the date of the loan if the loan amount is less than \$15,000, or within 10 years if the loan amount is between \$15,000 and \$30,000.

The rehabilitated homes will then be sold to income-qualified first-time homebuyers. The City's new First-Time Homebuyer Downpayment and Closing Cost Assistance program will work in tandem with this Acquisition and Rehabilitation Program to provide assistance to first-time homebuyers to purchase the rehabilitated units.

Five-Year Objectives:

- The City will issue a Request for Proposals (RFP) by mid-1999 and identify

a nonprofit agency to implement the program shortly thereafter.

- The City's goal is to acquire and rehabilitate two single-family homes annually.
- After one year of program implementation, the City will evaluate the effectiveness of this program for the La Mesa housing market and make future funding decisions accordingly.

4. **Comprehensive Neighborhood Revitalization Strategy:** The City has already established the West End Revitalization Area as a target area for housing improvements (Figure 10). The housing quality and living environment within this target area can benefit further from a comprehensive revitalization strategy which consists of both infrastructure improvements and neighborhood clean-up efforts. Infrastructure improvements may include street and alley resurfacing, drainage improvements, installation of curbs/gutters/sidewalks, street lighting. Neighborhood clean-up efforts may include code enforcement, weed abatement, and a minor Housing Fix-Up Program.

Through a Housing Fix-Up program, the City/Agency could offer financial assistance to qualified homeowners to pay for minor home improvements in target areas. Properties requiring more extensive rehabilitation improvements could be assisted under the Residential Rehabilitation Programs described above. Under the Housing Fix Up program, improvements would be limited to minor exterior repairs, such as exterior paint and window repairs, exterior roof

repair, driveway repair, and front and side yard fence reconstruction.

In order to make the Fix Up program attractive to property owners, the City/Agency could offer two levels of assistance: a grant for minor work and a zero interest, due-on-sale loan for larger repairs. Both programs would be available to renter- or owner-occupied single-family homes.

To supplement and reinforce the beautification efforts of the Neighborhood Revitalization Strategy, the Multi-Family Acquisition/Rehabilitation and First-Time Homebuyer Assistance programs (described later) could be specifically targeted within the designated Neighborhood Revitalization Strategy area to stabilize the neighborhood.

Five-Year Objectives:

- Through the annual CDBG funding allocation process, the City will assess the funding availability for initiating and continual support of a Comprehensive Neighborhood Revitalization Strategy.

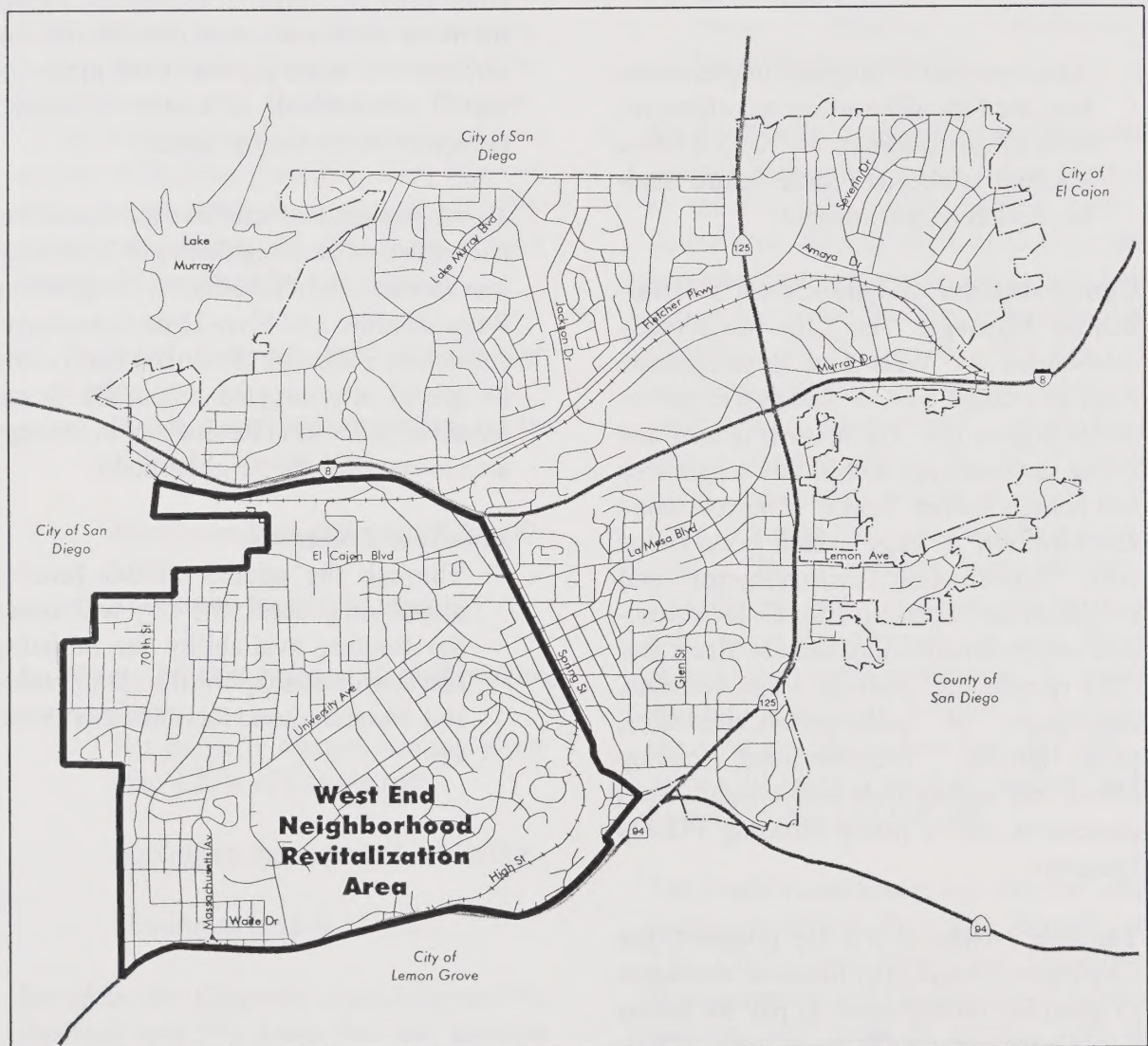


Figure 10
West End Neighborhood
Revitalization Area

5. **Multi-Family Acquisition and Rehabilitation:** A Comprehensive Neighborhood Revitalization Strategy could include acquisition and rehabilitation deteriorated multi-family housing projects, with the goal of generating privately initiated improvements in some of the other complexes in the neighborhood.

Under this program, the City/Agency would provide funds to a selected developer (typically a non-profit) to purchase a deteriorated multi-family rental property. The property would then be rehabilitated, with the options to combine some of the smaller units into larger family units, and/or converting the rental project into a condominium project. If the rehabilitated project is structured as for-sale housing, the City would assist qualified tenants in purchasing the units through its First-Time Homebuyer Assistance Program. Relocation assistance would be provided to existing tenants who have to be either temporarily or permanently relocated.

Rents or sale prices would be restricted to affordable levels for the term dictated by the funding source. A combination of HOME and redevelopment set-aside funds may be used to support this program.

Five-Year Objectives:

- Through the HOME and redevelopment set-aside funding allocation processes, the City will assess the funding availability for initiating and continual support of a Multi-Family Acquisition and Rehabilitation Program.

6. **Enforcement of Uniform Housing Code:** The City of La Mesa adopts the latest edition of the Uniform Housing Code as the standard for code enforcement under the City's Housing Rehabilitation Program. The stated purpose of the Housing Code is "to provide minimum standards to safeguard life or limb, health, property and public welfare..."

The La Mesa Building Inspection Division works in conjunction with the San Diego County Department of Environmental Health to perform code enforcement on the City's housing stock. The County implements an aggressive code enforcement program addressing substandard housing conditions among apartment houses and hotels in La Mesa. The City's Building Inspection Division performs code enforcement on a complaint basis throughout the City. Inspections are also done at the invitation of a property owner applying for rehabilitation financial assistance.

When dealing with housing code violations, the City encourages voluntary compliance. Where code citations are issued, property owners are given a reasonable time frame in which to respond. The owner is also placed in contact with the City's housing rehabilitation administrator to provide information pertaining to any rehabilitation loans or rebates available for correcting code violations.

Five-Year Objectives:

- The La Mesa Building Inspection Division will continue to enforce the Uniform Housing Code.

Housing Element

7. **Conservation of Existing and Future Affordable Units:** A community's existing affordable housing stock is a valuable resource which should be conserved, and if necessary, improved to meet habitability requirements.

Between July 1, 1999 and June 30, 2009, one federally assisted housing project in La Mesa is at risk of converting to market rate housing. The 218-unit Murray Manor maintains two Section 8 contracts with HUD. Potential phasing out of the Section 8 program may trigger the conversion of Murray Manor into market rate housing. Detailed analysis on the potential conversion of this project into market rate housing is provided in the Background section of this Housing Element.

The City of La Mesa will implement the following programs on an ongoing basis to conserve its affordable housing stock.

- a. **Monitor Units at Risk** - Monitor the status of Murray Manor since it may lose its Section 8 subsidies due to discontinuation of the program at the federal level.
- b. **Work with Potential Purchasers** - Establish contact with public and non-profit agencies interested in purchasing and/or managing units at risk to inform them of the status of Murray Manor. Where feasible, provide technical assistance to these organizations with respect to financing.
- c. **Tenant Education** - The California Legislature passed AB 1701 in 1998, requiring property owners give a nine-

month notice of their intent to opt out of low income use restrictions. The City will work with tenants of at-risk units and provide them with information regarding tenant rights and conversion procedures. The City will also provide tenants with information regarding Section 8 rent subsidies through the San Diego County Housing Authority, and other affordable housing opportunities in the City.

- d. **Assist Tenants of Existing Rent Restricted Units to Obtain Priority Status on Section 8 Waiting List** - The San Diego County Housing Authority has established three categories of priority applicants to receive Section 8 certificates: 1) evicted or homeless households; 2) households living in substandard housing units; and 3) households paying more than 50 percent of income for rent and utilities. The City will assist tenants of "at risk" units to obtain priority status if there were a conversion to market rate and if tenants' income and housing costs meet eligibility requirements.

Five-Year Objectives:

- The City will monitor the status of Murray Manor.
- The City will identify non-profit organizations as potential purchasers/managers of at-risk housing units.
- The City will explore funding sources available to preserve the affordability of Murray Manor or to construct replacement units.

- The City will assist tenants to apply for priority status on the Section 8 voucher/certificate program immediately should the project-based Section 8 program be discontinued.

8. **Section 8 Rental Assistance Program:**

The Section 8 rental assistance program extends rental subsidies to low income family and elderly which spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. Most Section 8 assistance is issued to the recipients as vouchers, which permit tenants to locate their own housing and rent units beyond the federally determined fair market rent in an area, provided the tenants pay the extra rent increment.

The City of La Mesa contracts with the San Diego County Housing Authority to administer the Section 8 Certificate/Voucher Program. As of December 1998, a total of 467 households in La Mesa were receiving rent certificates or vouchers. Nearly two-thirds of those receiving rental assistance were elderly households (290), with the remaining one-third of the Section 8 recipients being families.

Five-Year Objectives:

- Continue to contract with the San Diego County Housing Authority to administer the Section 8 Rental Assistance Program.
- Support the County Housing Authority's applications for additional Section 8 allocations.

9. **Senior Shared Housing:** Many seniors who would prefer to live independently resort to institutionalized living arrangements because of security problems, loneliness, costs, or need for some level of support to perform some daily activities.

The City of La Mesa contributes a portion of its CDBG funds towards a shared housing program which assists seniors in locating roommates to share existing housing in the community. The program is administered by the East County Council on Aging from its El Cajon office. Services offered include information and referral, outreach, client counseling, placement and follow-up.

The shared housing program has been successful in providing an alternative option to La Mesa's elderly residents which allows them to remain in their homes. The program provides approximately 30 matches annually. The majority of these seniors are very low income.

Five-Year Objectives:

- The East County Council on Aging will continue to conduct educational outreach, including public service announcements, distribution of brochures, and public speaking engagements in attempts to increase the number of seniors they are able to assist through roommate matches.
- The City of La Mesa will continue to assist in program outreach efforts for the shared housing program through advertisements in the City newsletter, and placement of program brochures in key community locations.

Housing Element

- The City will continue to provide financial assistance for the shared housing program over the five-year period of the Housing Element. The goal is to match a minimum of 30 low income seniors each year through this program.

10. **Mobilehome Park Assistance:** For those mobilehome/travel trailer parks which are severely substandard and the parks are no longer an economically viable use, the City may consider relocating tenants into more appropriate housing and to redevelop the park sites with more viable land uses.

Pursuant to State law (Government Code Section 65863.7), the City will work with the park owners to develop the required Relocation Impact Reports (RIRs) to evaluate the impact of park closures on park residents. The RIR will address the availability of adequate replacement housing in mobilehome parks and relocation costs.

Five-Year Objectives:

- The City will explore the feasibility and funding availability for implementation of this program.

Provision of Adequate Sites

A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for housing of all types, sizes and prices. This is an important function in both zoning and General Plans designations.

11. **Land Use and Urban Design Element:** The Land Use and Urban Design Element of the La Mesa General Plan designates more than half of the City's land inventory

for residential uses. A variety of residential types are provided for in La Mesa, ranging from 3 to 40 dwelling units per acre, with higher densities achievable through the City's density bonus provisions and senior housing policy.

The Land Use and Urban Design Element also provides for the integration of multi-family residential in all commercial zones, and has created a Mixed Use Urban category to encourage residential development along the City's major commercial thoroughfares. No density limits or minimum unit sizes are placed on residential uses in the City's commercial zones. The residential development capacity under the La Mesa Land Use Plan is adequate to meet the City's share of regional housing needs, which has been identified as 693 dwelling units over the next five years.

Five-Year Objectives:

- The City will maintain an inventory of sites suitable for residential development and provide appropriate land use designations to fulfill its share of regional housing needs.

12. **Sites for Homeless Shelters/ Transitional Housing:** The City of La Mesa has an estimated homeless population of 34 persons. La Mesa has no transitional housing facility or emergency shelter for the homeless.

Pursuant to state law, a community care facility for six or fewer persons may not be treated differently than family dwellings of the same type in the same zone. A community care facility also includes any residential facility, residential care facility for the

elderly, day care agencies, home-finding agencies, and foster family home. Therefore, small group homes for six or fewer persons can be located in any of the City's residential districts by right. Community care facilities for six or fewer persons are also permitted in the C (General Commercial) and CN (Neighborhood Commercial) districts.

Furthermore, through provisions adopted in the La Mesa Zoning Ordinance, the City allows for the development of community care facilities for seven or more persons in the R2 (Medium Low Density Residential), R3 (Multiple Unit Residential), and CD (Downtown Commercial) districts, subject to the approval of a Conditional Use Permit (CUP).

Five-Year Objectives:

- The City will continue to permit community care facilities for six or fewer persons in all residential districts, as well as in the C and CN districts.
- The City will continue to permit community care facilities for seven or more persons in the R2, R3, and CD districts.

Assist in Development of Affordable Housing

New construction is a major source of housing for prospective homeowners and renters. However, the cost of new construction is substantially greater than other program categories. Incentive programs, such as density bonus, offer a cost effective means of providing affordable housing development.

13. **Facilitate Development of Higher Density Housing:** In an urbanized area like La Mesa, land represents a significant cost component in both multi- and single-family development projects. One way to lower the cost of land per unit is to allow a greater number of units per acre of land. Increased density generally results in a lower land cost per unit, and greater unit affordability.

As a means of reducing residential land costs, it will be important for La Mesa to encourage development at the upper end of its residential density ranges.

Five-Year Objectives:

- The City will facilitate the development of higher density infill housing in targeted areas such as the West Central Specific Plan Area and areas designated Mixed Use Urban.
- The City will provide information to the public will identify target infill areas and outline available development incentives.

14. **Density Bonus:** Pursuant to State density bonus law, if a developer allocates at least 20 percent of the units in a housing project to lower income households, 10 percent for very low income households, or at least 50 percent for "qualifying residents" (e.g. seniors), the City must either: a) grant a density bonus of 25 percent, along with one additional regulatory concession to ensure that the housing development will be produced at a reduced cost, or b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. The developer shall agree to and the City shall ensure continued affordability of all

Housing Element

lower income density bonus units for a minimum 30-year period.

La Mesa Zoning Ordinance incorporates a bonus point system for the provision of specified project amenities including low and moderate income, large family and handicapped-accessible housing. The density point system is applicable to the R3 (Multiple Unit Residential) and RB (Residential Business) zones; density bonuses in other zones are permitted pursuant to provisions identified under State law.

However, the bonus point system, as currently defined, is not consistent with the State density bonus provisions. Under this system, developments in the R3 and RB zones can provide only 10 percent lower (very low and low) income units in order to receive a 25 percent density bonus, while State law requires a minimum 20 percent of the units set aside for lower income households. Also, a density bonus of more than 27 percent can be achieved under the City's bonus system if developments in the R3 and RB zones provide 25 percent of moderate income units. The State density bonus law explicitly requires that lower income units be provided in exchange for density increases.

Five-Year Objectives:

- By the end of 2000, the City will revise its Zoning Code to reflect current State density bonus standards.
- The City will inform residential development applicants of opportunities for density increases.

15. **Land Assemblage and Write-Down:** The City can utilize CDBG, HOME, and redevelopment monies to write-down the cost of land for the development of low and moderate income housing. The intent of this program is to reduce land costs to the point that it becomes economically feasible for a private developer to build units which are affordable to low and moderate income households. As part of the land write-down program, the City may also assist in acquiring and assembling property and in subsidizing on-site and off-site improvements.

Five-Year Objectives:

- The West End Revitalization Area represents a significant opportunity for the development of affordable housing. Through the Redevelopment Agency, the City will make every reasonable effort to continue to provide land write-downs for residential projects affordable to low income households.

16. **Senior Housing Development Incentives:**

The City has adopted a Senior Housing Policy to facilitate the development of affordable senior citizen housing. This policy provides for flexibility in development standards for senior housing projects through a specific plan process. Developers of senior housing proposals who prepare a specific plan and reserve all or a portion of the units as affordable to low and moderate income households are eligible for significant increases above the base density, as well as reduced development standards including parking and open space requirements. The package of development incentives provided is worked out on a case-by-case basis.

Five-Year Objectives:

- The City will continue to provide incentives for the development of affordable senior housing through implementation of its senior housing policy.

- 17. First-Time Homebuyer Downpayment and Closing Cost Assistance:** This new program will utilize HOME funds to assist low income (80% of MFI) homebuyers in the purchase of their first single-family home within the West End Revitalization Area. This program will also assist low and moderate income homebuyers to purchase a condominium citywide. Program administration will be handled by an agency contracted by the San Diego County Department of Housing and Community Development.

This program offers loans which the income-qualified homebuyers may use to pay their downpayment and closing costs. The loans will be secured by a deed of trust, with the interest deferred until repayment of the loans. Under this program, the maximum loan amount is \$5,000 with an annual 3% simple interest.

Five-Year Objectives:

- The City will begin participation in this County-administered program by the end of 1999.
- The City's goal is to assist five first-time homebuyers annually.
- After one year of program implementation, the City will evaluate its effectiveness for the La Mesa housing market and make future HOME funding decisions accordingly.

- 18. Mortgage Credit Certificate (MCC):** The Mortgage Credit Certificate (MCC) is a way for the City to further leverage homeownership assistance. MCCs are certificates issued to income-qualified first-time homebuyers authorizing the household to take a credit against federal income taxes of up to 20 percent of the annual mortgage interest paid. The mortgage payments are used to repay the bonds; there is no City guarantee required. The City is a part of a coalition consisting of the County of San Diego and several other cities in providing MCCs to income-qualified first-time homebuyers. The coalition hires a consultant to administer the program and the City contributes to the administration costs. First-time homebuyers interested in the MCC program are referred by the City to the consultant.

Five-Year Objectives:

- The City will continue to participate in the Regional Mortgage Credit Certificate program by contributing to the administration costs. The goal is to provide three to four MCCs annually.

- 19. Lease-Purchase Affordable Housing:** This new program promotes affordable home ownership opportunities for low and moderate income households earning up to 140 percent of the MFI. This program is currently utilized in more than 20 cities in the state and is financed through tax-exempt bond issues and private long-term mortgage financing. There is a strong interest from jurisdictions throughout the San Diego County to implement this program locally.

To initiate this program, a joint powers authority from participating governments

Housing Element

needs to be created to issue tax-exempt bonds to buy homes for lease-purchase. The bonds will be fully insured by the private sector. Eligible housing stock may be new or existing single-family homes or condominiums, and must be owner-occupied.

Under this lease-purchase program, the lease-purchasers must contribute the first month's rent plus an initial fee equal to 1% of a home's purchase price. The joint powers authority will put 3% down on each home. The lease-purchasers will then make monthly payments roughly equivalent to mortgage payments. After three years of leasing the property, the lease-purchasers can purchase the homes by assuming the mortgages. The joint powers authority will also pay closing costs which will be discounted by the lenders and escrow companies participating in the program.

Five-Year Objectives:

- The City will coordinate with other interested cities in the County in order to explore the feasibility of implementing this program locally.

20. **Non-Profit Housing Development Corporation:** A non-profit housing development corporation promotes, assists, or sponsors housing for low and moderate income people. The following non-profit housing developers are active in East County area:

- Community Housing of North County
- San Diego Interfaith Housing
- San Diego Community Housing Corporation
- Habitat for Humanity

- Mexican-American Anti-Poverty Advisory Committee (MAAC)
- Civic Center Barrio Telacu Affordable Housing

Five-Year Objectives:

- The City will continue to augment and refine the list of non-profit developers for purposes of soliciting their involvement in affordable housing development in the City.
- The City will issue a Request for Proposal (RFP) to solicit the participation of a qualified Community Housing Development Organization (CHDO) in the City's newly established Single-Family Homes Acquisition and Rehabilitation program.
- The City will issue an RFP for multi-family acquisition/rehabilitation or new construction projects. Participation of nonprofit developers will be solicited through this RFP process.

Removal of Governmental Constraints

Under present State law, the La Mesa Housing Program must address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing. The following programs are designed to lessen governmental constraints to housing development.

21. **Zoning Ordinance:** The La Mesa Zoning Ordinance provides for a diversity of housing types ranging from rural estate and single family dwellings to high density apartments and mixed use projects. The

following aspects of the Zoning Ordinance facilitate the conservation and development of affordable housing:

- Provisions for second units
- Provisions for manufactured housing in single-family zones
- Provisions for density bonus
- Provisions for residential units within commercial zones

In particular, the La Mesa Zoning Ordinance places no age or income restrictions on the tenant residing in the second units. The size of the unit is regulated to assist in keeping rents at affordable levels, as well as encourage occupancy by seniors, students, and small families.

Five-Year Objectives:

- The City will revise its Zoning Ordinance as necessary to implement the Mixed Use Urban land use designation under the General Plan and to incorporate updated State density bonus provisions. These zoning code revisions will be made by the end of 2000.

22. **Development Fees:** Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities. While development fees in La Mesa are among the lowest in the County, they still contribute to the cost of housing and can constrain the development of lower priced units. The reduction of City fees can lower residential construction costs and, ultimately, sales and rental prices.

Five-Year Objectives:

- In its efforts working with nonprofit organizations to develop and rehabilitate affordable housing, the City will consider granting a partial fee waiver.

Promote Equal Housing Opportunities

In order to make adequate provision for the housing needs of all economic segments of the community, the housing program must include actions that promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age or physical disability.

23. **Fair Housing:** For many years La Mesa has been participating with Heartland Human Relations and Fair Housing Association to provide services that promote fair housing. The following describes the role of Heartland Human Relations in implementing the City's fair housing program:

- Serves as a fair housing resource for the area, including implementation of an affirmative fair housing marketing plan, testing and complaint verification.
- Responds to all citizen complaints regarding violations of the fair housing laws.
- Provides tenant-landlord counseling to all inquiring citizens.
- Promotes community awareness of tenant landlord rights and responsibilities.
- Monitor housing legislation and report on fair housing to the City.

Housing Element

- Report monthly on complaint processing.
- Maintain a free rental listing service of affordable housing within La Mesa.

In 1996, the City conducted an *Analysis of Impediments (AI) to Fair Housing Choice* and prepared a *Fair Housing Plan* to implement recommendations identified in the AI.

Five-Year Objectives:

- La Mesa will continue to support the Heartland Human Relations and Fair Housing Association to assure unrestricted access to housing in the community.
- The City will assist in program outreach through placement of program brochures at the public counter, community service agencies, and public libraries which describe the fair housing services offered through Heartland Human Relations.

Table 25
Housing Implementation Program Summary

Housing Program	Program Objectives	5-Year Objective and Time Frame	Funding Source	Responsible Agency
Conserving and Improving Existing Affordable Housing				
1. Housing Rehabilitation Program	Provide rehabilitation assistance to lower and moderate income households to facilitate unit upgrading.	- Adopt new program guidelines by mid-1999. - Provide 10 loans and rebates annually. - Evaluate program effectiveness in mid-2000.	CDBG and HOME	Community Development Department
2. Historic Preservation Program	Provide rehabilitation assistance to historic properties.	- Continue advertising through Housing Rehabilitation Program. - Provide 3 loans/rebates annually.	CDBG	Community Development Department
3. Single-Family Acquisition and Rehabilitation	Rehabilitate deteriorated single-family homes and provide home ownership opportunities to first-time homebuyers.	- Issue RFP and identify nonprofit agency to implement program by mid-1999. - Acquire and rehabilitate two single-family homes annually. - Evaluate program effectiveness in mid-2000.	HOME	Community Development Department and nonprofit housing agency to be identified through RFP process
4. Comprehensive Neighborhood Revitalization Strategy	Targeted efforts to improve the quality of housing and living environment in a neighborhood.	- Assess the funding availability for initiating and continual support of program through the annual CDBG funding allocation process.	CDBG	Community Development Department
5. Multi-Family Acquisition and Rehabilitation	Improve deteriorated multi-family housing stock in the City.	- Assess the funding availability for initiating and continual support of program through the HOME and set-aside funding allocation processes.	HOME; Redevelopment Housing Set-Aside	Community Development Department
6. Enforcement of Uniform Housing Code	Enforce City housing codes, combined with rehabilitation assistance, to alleviate substandard housing conditions.	- Ongoing enforcement of the Uniform Housing Code.	Department budget	Planning and Building Inspection Divisions

Table 25
Housing Implementation Program Summary

Housing Program	Program Objectives	5-Year Objective and Time Frame	Funding Source	Responsible Agency
7. Conservation of Existing and Future Affordable Units	Provide for the continued affordability of the City's low and moderate income housing stock.	- Ongoing monitoring of the status of Murray Manor. - Ongoing identification of nonprofit agencies as purchasers/managers of at-risk units. - Ongoing exploration of available funding sources. - Provision immediate assistance to tenants should the project-based Section 8 program be discontinued.	Redevelopment Housing Set-Aside; HUD Section 8 Certificates/ Vouchers; and other funding sources as available.	Community Development Department and Redevelopment Agency
8. Section 8 Rental Assistance Program	Extend rental subsidies to very low income households.	- Ongoing program administration through the San Diego County Housing Authority. - Support County Housing Authority's annual applications for additional Section 8 allocations.	HUD Section 8 Certificates and Vouchers	San Diego County Housing Authority
9. Senior Shared Housing	Assisting seniors in locating roommates to share existing housing.	- Ongoing educational outreach to seniors. - Periodic advertisements of program in City newsletter. - Funding support to achieve 30 matches annually.	CDBG	East County Council on Aging; Community Development Department
10. Mobile Home Park Assistance	Provide decent and appropriate housing for mobile home park tenants and redevelop dilapidated mobile home parks into economically viable uses.	- Explore the feasibility and funding availability for program implementation.	Department budget; CDBG; HOME; Redevelopment Housing Set-Aside	Community Development Department
Provision of Adequate Sites				
11. Land Use and Urban Design Element	Provide a range of residential development opportunities through appropriate land use designations.	- Ongoing maintenance of an inventory of sites suitable for residential development.	Department budget	Planning Division

Table 25
Housing Implementation Program Summary

Housing Program	Program Objectives	5-Year Objective and Time Frame	Funding Source	Responsible Agency
12. Sites for Homeless Shelters/ Transitional Housing	Provide for sites for the development of housing for the homeless.	- Continue to permit community care facilities through various zoning provisions.	Department budget	Planning Division
13. Facilitate Development of Higher Density Housing	Encourage the development of infill housing at the upper end of permitted General Plan densities.	- Ongoing facilitation of higher density housing in targeted areas.	Department budget	Planning Division
14. Density Bonus	Encourage development of housing for seniors and low income households through provision of density bonuses.	- Revise Zoning Ordinance to reflect state density bonus standards by the end of 2000. - Inform residential development applicants of opportunities for density increases.	Department budget	Planning Division
15. Land Assemblage and Write-Down	Assemble property and extend write-down grants for the provision of low and moderate income housing.	- As appropriate and necessary, continue to provide land write-downs for affordable housing projects.	Redevelopment Housing Set-Aside	Community Development Department and Redevelopment Agency
16. Senior Housing Development Incentives	Facilitate development of affordable senior housing.	- Ongoing implementation of senior housing incentive policy.	Department budget	Planning Division
17. First-Time Homebuyer Downpayment and Closing Cost Assistance	Expand home ownership opportunities to lower and moderate income first-time homebuyers.	- Begin participation in County program by the end of 1999. - Provide assistance to five first-time homebuyers annually.	HOME	Community Development Department
18. Mortgage Credit Certificates (MCC)	Expand home ownership opportunities to lower and moderate income first-time homebuyers.	- Continue participation in Regional MCC program. - Provide three to four MCCs annually.	Federal tax credits	Regional Mortgage Credit Certificate Consortium
19. Lease-Purchase Affordable Housing	Expand home ownership opportunities to lower and moderate income first-time homebuyers.	- Coordinate with other cities to explore feasibility of implementing program by the end of 1999	Department budget; tax-exempt bonds; private mortgage financing	Community Development Department

Table 25
Housing Implementation Program Summary

Housing Program	Program Objectives	5-Year Objective and Time Frame	Funding Source	Responsible Agency
20. Non-Profit Housing Development Corporation	Provide expanded affordable housing opportunities.	- Ongoing updating of list of potential non-profit housing developers. - Issue RFP to identify a qualified CHDO to administer the new Single-Family Acquisition and Rehabilitation program - Issue RFP for multi-family housing acquisition/rehabilitation.	HOME	Community Development Department
Removal of Governmental Constraints				
21. Zoning Ordinance	Ensure City standards are not excessive and do not unnecessarily constrain affordable housing development.	- Revise Zoning Ordinance to implement Mixed Use Urban land use designation by the end of 2000.	Department budget	Planning Division
22. Development Fees	Provide flexibility in development fees to facilitate affordable housing.	- Consider reduced fees for provision of affordable housing.	CDBG; HOME; Redevelopment Housing Set-Aside	Community Development Department
Promoting Equal Housing Opportunities				
23. Fair Housing	Affirm a positive action posture which will assure unrestricted access to housing.	- Continue to support the Heartland Human Relations and Fair Housing Association. - Assist in program outreach.	CDBG; Department budget	Planning Dept.

Housing units to be constructed: 141 Very Low Income
 109 Low Income
 159 Moderate Income
 284 Upper Income
 693 Total

Housing units to be conserved: 218 units (Murray Manor)
 467 units (Section 8 Vouchers/Certificates)
 685 units total

Housing units to be rehabilitated: 50 units (Housing Rehabilitation loans/rebates)
 15 units (Historic Preservation)
 10 units (Single-Family Acquisition/Rehabilitation)
 75 units total

RESOLUTION NO. 99-111

RESOLUTION ADOPTING A NEGATIVE DECLARATION, ADOPTING THE
HOUSING ELEMENT AND SELF-CERTIFYING THE HOUSING ELEMENT
FOR THE PERIOD 1999-2004

WHEREAS, the State of California requires that each local jurisdiction prepare a Housing Element of their general plan every five years or as prescribed by state law; and

WHEREAS, the State law requires the submission of the jurisdiction's Housing Element to the State Department of Housing and Community Development for a determination of substantial compliance with the requirements of state housing element law; and

WHEREAS, the San Diego Association of Governments (SANDAG) sponsored state legislation (AB 1715) that was enacted as Government Code Section 65585.1 in 1995, which creates the opportunity for local governments within the San Diego region to self-certify their housing elements through a pilot program; and

WHEREAS the City of La Mesa desires to self-certify their 1999-2004 Housing Element under the provisions of Government Code Section 65585.1; and

WHEREAS, the City of La Mesa has met the criteria set forth in Government Code Section 65585.1 (c) which provides for self-certification; and

WHEREAS, the City of La Mesa has retained a qualified consultant to prepare a Housing Element document that meets the requirements of State general plan law; and

WHEREAS, the La Mesa Planning Commission held a duly noticed public hearing on June 16, 1999, which resulted in a recommendation that the City Council adopt the negative declaration and adopt the General Plan Amendment 99-01A an amendment to the Housing Element; and

WHEREAS, the La Mesa City Council did hold a duly noticed public hearing on September 14, 1999, and accepted public testimony in considering General Plan Amendment 99-01A, a proposal to amend the General Plan Housing Element; and

WHEREAS, the La Mesa City Council did consider an environmental initial study of this proposal in accordance with the California Environmental Quality Act; and

WHEREAS, the La Mesa City Council did receive and consider a staff report for the proposed General Plan Amendment.

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, that the following findings are true and made part of the record:

THAT, the General Plan Housing Element shown as Exhibit A meets the spirit and intent of State general plan housing law by providing an analysis of the City's demographic and housing market environment; and

THAT, the analysis shows that there is adequate capacity within the City's neighborhoods to provide for the City's fair share of housing for all income levels; and

THAT, the analysis shows that the City does not maintain any unnecessary or unreasonable barriers to the creation of affordable housing within the community; and

THAT, twenty three housing implementation programs which are summarized in Table 25 of the Housing Element will assist in the conservation, rehabilitation and construction of housing to meet the needs of households within the full range of incomes; and

THAT, the City of La Mesa has met its fair share goal of the region's housing needs for the past housing element cycle as determined by SANDAG based on the number of new affordable housing opportunities created in La Mesa between 1991 - 1999 and is therefore eligible to self-certify; and

THAT, the policies and programs included in the Housing Element will not have an adverse impact on the environment.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MESA AS FOLLOWS:

1. The forgoing findings of fact and determinations are true and hereby made a part hereof.
2. The City Council adopts the Negative Declaration and adopts General Plan Amendment 99-01A, amending the General Plan Housing Element as shown in Exhibit A on file in the Office of the City Clerk of La Mesa.
3. The City Council certifies to the State Department of Housing and Community Development that the adopted Housing Element is in compliance with State Housing Element Law and directs the Community Development Director to prepare a letter to that effect.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of La Mesa, California, held the 14th day of September, 1999, by the following vote, to wit:

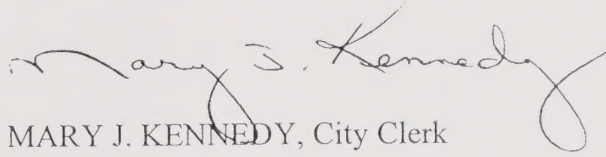
AYES: Councilmembers Jantz, La Suer, Sterling and Mayor Madrid

NOES: None

ABSENT: Councilmember Alm

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, City Clerk of the City of La Mesa, California, do hereby certify this to be a true and exact copy of Resolution No. 99-111, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.



MARY J. KENNEDY, City Clerk

(SEAL OF CITY)

There is a very large number of people who are interested in the study of the history of the United States. This is because the United States is a very young country and its history is very interesting.

One of the most interesting parts of the history of the United States is the period of the American Revolution. This was a time when the people of the United States fought for their freedom from the British.

Another interesting part of the history of the United States is the period of the Civil War. This was a time when the people of the United States fought for the freedom of the slaves.

There are many other interesting parts of the history of the United States. For example, the period of the Great Depression was a very difficult time for the people of the United States.

The history of the United States is very interesting because it shows how the people of the United States have fought for their freedom and how they have built a great country.

There are many books and articles about the history of the United States. You can find out a lot more about the history of the United States if you read these books and articles.

One of the best books about the history of the United States is "The American Revolution" by David Mervin.

Another good book about the history of the United States is "The Civil War" by Bruce Catton.

There are also many articles about the history of the United States in newspapers and magazines.

If you are interested in the history of the United States, you should read these books and articles.

There are also many museums and libraries where you can find out more about the history of the United States.

For example, the National Archives and Records Administration has a lot of information about the history of the United States.

You can also find out about the history of the United States by visiting the websites of the National Archives and Records Administration.

There are also many websites where you can find out about the history of the United States.

74

**City of La Mesa General Plan Amendment 01-01
Amendment to Adopted Housing Element
Incorporating Responses to Comments From
State Department of Housing and Community Development**

Background

In September of 1999, the La Mesa City Council adopted and self-certified a new Housing Element of the La Mesa General Plan. Self-certification was an option for the City of La Mesa because the City met and exceeded its fair share goals for housing during the prior housing element reporting period.

Recent State legislation requires Department of Housing and Community Development certification of a city's housing element in order to establish preference for the State Infrastructure Bank Program and eligibility for the Jobs/Housing Balance Incentive Grant Program. For this reason the City sought Department of Housing and Community Development (HCD) approval of its Housing Element. HCD staff reviewed the La Mesa Housing Element, made comments and requested additional information.

As a result of HCD comments, the City of La Mesa has prepared a set of responses, which are being incorporated into the existing Housing Element document. The following pages include the comments of HCD, the City of La Mesa's responses to the comments and the page numbers within the existing document that will be amended to include the City's responses as a result of this General Plan Amendment.

A negative declaration was prepared for this general plan amendment in accordance with CEQA.

The Planning Commission reviewed the general plan amendment and recommended City Council approval on September 5, 2001.

The City Council adopted the general plan amendment on September 25, 2001. The adopting resolution is # 2001-094.

For questions or comments about the City of La Mesa Housing Element and the City's housing programs, call the Community Development Department at 619-667-1185.

General Plan Consistency

HCD's Comment

General Plan Consistency – describe how consistency will be maintained

La Mesa's General Plan Housing Element Amended As Follows:

Page 5 Relationship to Other General Plan Elements

With the exception of the housing element, the various elements of the La Mesa General Plan were developed and adopted at the same time (1996). The housing element was developed to compliment and support the policies of the other General Plan elements. At the time that the Housing Element was prepared, the other elements were reviewed and determined to be consistent.

Maintaining consistency of the General Plan is the responsibility of the Community Development Department. Staff will evaluate all future amendments to any of the General Plan's elements for internal consistency.

Senior Housing

HCD's comment

Senior needs – no real discussion of needs or current resources

La Mesa's General Plan Housing Element Amended As Follows:

Page 11 Special Needs Groups "Elderly"

The 1990 Census showed that 18% of La Mesa's population was over 65. Lengthening life spans and "aging in place" is increasing the number of senior citizens living in La Mesa, as the 2000 Census data will undoubtedly show. Addressing the housing needs of an aging population will be a challenge not just for the City of La Mesa. The county, the State and the Federal governments will be grappling with this issue as well.

A special tabulation of the 1990 Census data, prepared for the US Department of Housing and Urban Development (HUD) shows that there were a total of approximately 6,000 elderly households in the income ranges below 80% MFI living in La Mesa. Of these two thirds were home-owners and one third were renter households. While the number of elderly very low-income renter household is smaller, these households are much more likely to over pay for housing. Only 41% of very low-income elderly owner households pay more the 30% of their income for housing costs, while 75 % of very low-income elderly renter households pay more than 30% of their income for rent.

There are two existing housing projects located in La Mesa, that provide housing to low-income elderly households. The La Mesa Springs is a CHFA project with 128 project based Section 8 units. Guava Gardens, developed under the City's Senior Housing

Density Bonus Program, provides 81 units of affordable rental housing for exclusively elderly households. The City Council has recently approved an affordable senior housing project of 59 rental units. A commitment of up to 1.9 million of HOME funds has been made to this project. Utilizing the flexibility provided by the City's density bonus for senior housing, the developer was able to increase the density, decrease the parking requirement and modify other development standards.

There are a number of private sector specialized senior housing projects in La Mesa. These include Little Flower Haven, Regency Park, Waterford Terrace, Activcare at La Mesa, Community Convalescent Hospital and Grossmont Gardens. These projects provide housing, plus a full range of specialized services for monthly or annual fee.

Many aging La Mesa homeowners will prefer to reside in their current home as long possible. For seniors who desire to sell their home and relocate to age restricted or service enriched housing, there are a number of senior housing alternatives located in La Mesa. As described above, these range from rent restricted and market rate apartments to board and care facilities for the most frail and dependent senior population.

La Mesa's development regulations provide for "community care facilities", including senior care facilities in many areas of the City. The City's general plan and zoning regulations support senior housing development by providing a density bonus for housing constructed exclusively for seniors.

The La Mesa Senior Center is an integral part of community life. The Senior Center sponsors a full range of services, including senior meals programs, health and safety education, recreation activities and life enrichment curriculum.

La Mesa sponsors a citizen participation group specifically to address issues important to seniors. The Commission on Aging meets once a month. Meeting topics cover a variety of issues important to seniors. The Commission on Aging is a communication link between the City Council and the senior community on the City's activities, policies and programs.

The City uses its discretionary transit funds to pay for a dial-a-ride service that provides curb-to-curb transportation service to a primarily elderly clientele. This service allows seniors to participate in activities of daily living without the need for an automobile.

The City provides CDBG funding for a shared housing program, which matches senior homeowners with other seniors or younger people who are seeking affordable housing. This program utilizes the existing housing stock more efficiently, while providing the participants with social and quality of life benefits.

The City's Housing Rehabilitation Loan Program provides housing assistance to a primarily very low-income elderly female clientele. These elderly homeowners chose to remain in their home, but do not have the ability or the financial resources to perform basic home maintenance activities. The home loan is deferred and interest free until the

property changes ownership. The loan funds are used to make essential health and safety repairs to the interior and exterior of the home. This program is supported by the City's CDBG and HOME funds and program income from retired loans.

Public Participation

HCD's comment

Public Participation – describe how the City made a diligent effort to achieve the participation of lower income households or their representatives/advocates in the development of the housing element.

La Mesa's General Plan Housing Element Amended As Follows:

Page 5 Public Participation

In addition the City Council workshop and public hearings before the Planning Commission and the City Council, the housing element draft was submitted to several of the City's public service partners for their review and comment. These agencies provide services to tenants, to homeless youths and families, to people with disabilities and low-income families. The draft document of the housing element was also reviewed by Catherine Rodman of San Diego Friends of Legal Aid. Ms. Rodman, a local affordable housing advocate, made a number of suggestions that were incorporated in to the final version of the housing element.

Of a more general nature, is the effort that the City has made to hear the views of the citizens. The La Mesa City Council has made citizen participation an important part of City operations. Each year for the past 3 years, the City has held a "Citizen Summit", an all-day citizen participation workshop. Between 80 and 100 people have attended each Summit in addition to the City Council members and management staff of all departments. At these workshops, the citizens, have identified affordable housing as a priority for the City. The citizens have also identified maintaining neighborhood character as a priority. The City Council's challenge will be, responding to both goals, as new housing development is proposed and implemented.

The West La Mesa Summit was the second of the Citizen Summits. West La Mesa is the focus of targeted revitalization efforts by the City. The citizens who attended the West La Mesa Summit represented a cross section of community including, lower income West La Mesa residents, students, seniors and residents of the trailer parks that are located on El Cajon Boulevard. Affordable housing was identified by the Summit participants as a priority need for the City of La Mesa.

Constraints

HCD's comment

The element should describe and analyze parking requirements for multifamily housing and analyze design requirements for their impact on the development of multi-

family housing i.e., do requirements constrain ability to achieve maximum density of a development. Also the element should analyze the impact of the urban design overlay and the additional time it adds to the permit process.

Provide information on required parking for senior housing

Analyze the impact of design review on cost of housing, i.e. materials requirements etc

What are the fees for Specific Plan authorizing senior housing.

La Mesa's General Plan Housing Element Amended As Follows:

Page 31 Add new topic under Governmental Constraints "Parking"

Parking

The City of La Mesa's parking requirement for multi-family housing is 2 spaces per unit. Additional guest parking is not required unless the access to the two spaces is restricted to residents, for example if the spaces are enclosed in a garage or are otherwise "assigned" to units. In mixed-use development, parking spaces are permitted to be shared between the residential and commercial uses. Within the area covered by the downtown specific plan, a 25% reduction in required parking for multi-family units is permitted due to transit orientation of this neighborhood.

Senior housing is allowed to reduce the number of required spaces through the specific plan authorization process. The parking requirement for senior housing is a flexible standard that is based on the type of development, the targeted senior population and the project's location with regard to transit access. Within the senior housing projects that have been built in La Mesa, the range of required parking is from less than one-half space to approximately one parking space per unit.

Policies in the General Plan Land Use Element provide for a reduction in the required number of parking spaces in transit-oriented development.

The design standards for parking lot layout and landscaping are guidelines rather than requirements. This gives designers flexibility to arrange the parking lot configuration to efficiently utilize lot area. La Mesa's parking requirements and guidelines are appropriate to meet the needs of the residents of multifamily housing without being excessive. Provision of an adequate number of off-street parking spaces, effective parking lot arrangement and landscaping are important components of urban design and neighborhood preservation and are not a hindrance to urban infill development potential.

Urban Design Overlay Zone and Design Review Program

The City of La Mesa adopted the Urban Design Guidelines and Urban Design Overlay in 1987. The development and adoption of the urban design program was in response to the observation that the design quality of development occurring at the time was mediocre.

La Mesa is nearly built-out. Because of limited opportunity for new development in La Mesa it is important that all new development contribute to, and not detract from, the quality of the City’s physical character. The urban design program is instrumental in its contribution to the over-all improvement in the quality of new development in La Mesa.

Implementation of the urban design program has not increased the length of time needed to obtain development approval because it is fully integrated into the development review process. Several years ago, the City staff involved in development review, including the planning, engineering, building and fire departments, initiated a “process improvement team” effort to streamline the development approval process. The Development Advisory Board and Design Review Board meet on the same day to review projects. The applicant leaves these meetings with a clear understanding of the conditions that affect the City’s ability to approve the proposed project. The Urban Design Program includes a policy that ensure that projects are reviewed within the development permit processing time limits established by the City and State Law. A typical development permit is processed in a matter of a few weeks to two months. Design review does not change the density or the land use of proposed projects and does not negatively affect private sector housing production in La Mesa.

The Design Review process does not involve submittal of extraordinary materials. Materials boards and colored elevations are required as part of project submission. However, these requirements are typical of project approval processes. The materials boards assists the building and fire departments with codes compliance issues and the colored elevations facilitate understanding of how the project will fit into the surrounding area.

The Design Review process does not add to the timeframe and cost of projects, it merely ensures that proposed development fits in with surrounding neighborhood and contributes to an attractive and well-designed urban environment. An important, and often overlooked, benefit of the design review process is that it builds in an extra level of community support for discretionary projects. As these projects advance through the authorization process, an endorsement from the Design Review Board provides support for final project approval.

The fee for processing a specific plan to authorize senior housing is \$1,200, including environmental review and public noticing. Applied to our most recent senior housing proposal of 59 units, the specific plan fees added approximately \$20.00 to the cost of each unit. This cost is very modest considering the number and variety of tailored development standards that were achieved through the Specific Plan process. This development standard flexibility including not only reductions in parking, but also reductions in required recreational areas, setbacks, and other development standards, that contribute to the feasibility of senior housing development.

Inventory

HCD's Comment

Inventory - Table 19 does not identify sufficient sites to accommodate the RHNA by income group. In order to include the properties identified in Table 20 the element should also include historic development patterns of underutilized properties. For example, if 200 units were approved during the previous planning period in underutilized areas one would expect some activity during this planning period.

Analysis the Historic Development Pattern in the "underutilized" areas

La Mesa's General Plan Housing Element Amended As Follows:

Pages 35 – 38 Housing Opportunities

Table 19
Vacant Residential Site Inventory

General Plan Designation	Acres	Maximum Allowable Density	Maximum Development Potential	Average Development Density	Average Development Potential	Target Income Group
Rural	4.7	2 du/ac	9	1 du/ac	5	Upper
Semi-Rural	5.1	3 du/ac	15	2 du/ac	10	Upper
Suburban	145.8	4 du/ac	583	3 du/ac	437	Upper
Urban	24.0	7 du/ac	168	5 du/ac	120	Upper
Multiple Unit	4.6	18 du/ac	83	14 du/ac	65	Low/Mod
Regional Serving	6.0	18 du/ac	109	14 du/ac	84	Low/Mod
Urban Mixed Use	2.4	40 du/ac	97	25 du/ac	61	Very Low
Total	192.7		1,065		782	

Notes:

1. Average density assumes at 80% of maximum allowable density.
2. For Regional Serving areas, residential development density is determined by the adoption of a specific plan. For estimation purposes, a maximum density of 18 du/ac and an average density of 14 du/ac are used.

Source: Parcel-specific GIS data on existing land use and General Plan designations obtained from SANDAG and SANGIS, with modifications by City staff.

As shown on Table 19, with the exception of a 145-acre vacant parcel, there is very little vacant land available in La Mesa. Approximately half of the future affordable residential development will be accommodated in underutilized areas as shown on Tables 20 and 21.

Table 20
Underutilized Properties and Mobile Home Parks

General Plan Designation	Acres	Max. Allowable Density	Max. Dev. Potential	Average Dev. Density	Average Dev. Potential	Existing Units	Net Dev. Potential		Target Income Group
							Max	Avg	
Underutilized Properties									
Restricted Multiple Unit	21.4	14 du/ac	299	11 du/ac	235	233	66	2	Mod
Multiple Unit	32.6	18 du/ac	587	14 du/ac	456	255	332	201	Low
Mixed Density	28.8	18 du/ac	518	14 du/ac	403	349	170	55	Low
Total	82.8		1,405		1,095	837	568	258	
Mobile Home Parks									
Mixed Density	11.7	18 du/ac	211	14 du/ac	164	117	94	47	Low
Urban Mixed Use	2.4	40 du/ac	94	25 du/ac	59	24	71	35	Very Low
Regional Serving	13.3	18 du/ac	239	14 du/ac	186	133	106	53	Low
Total	27.4		545		409	274	271		135
TOTAL	110.2		1,949		1,504	1,110	839		394

Notes:

1. Average density assumes at 80% of maximum allowable density.
2. The number of existing units in mobile home parks is estimated based on the typical development density of 10 units per acre.
3. The number of existing single-family units on multi-family designated lots is assumed at one unit per parcel.

Source: Parcel-specific GIS data on existing land use and General Plan designations obtained from SANDAG and SANGIS with modifications by staff.

As part of the background research for the Housing Element, staff did a detailed analysis of the development potential of underutilized parcels, focusing on neighborhoods located along the City's transit/commercial corridors. The results of this analysis clearly showed that a substantial amount of development potential exists along the transit/commercial corridors and in the adjoining neighborhoods. Based on this research, the information shown in Tables 20 and 21 is a conservative estimate of future residential development potential on underutilized parcels.

**Table 21
Redevelopment Sites**

General Plan Designation	Acres	Maximum Allowable Density	Maximum Development Potential	Average Development Density	Average Development Potential	Target Income Group
Grossmont Trolley Station/ MTDB Baltimore Site	10.0	40 du/ac	400	25 du/ac	250	Very Low
Central Area Redevelopment Project	4.2	40 du/ac	169	25 du/ac	106	Very Low
Urban Mixed Use	12.8	40 du/ac	513	25 du/ac	320	Very Low
Total	27.0		1,082		676	Very Low

Source: Parcel-specific GIS data on existing land use and General Plan designations obtained from SANDAG and SANGIS with modifications from City staff.

During the previous housing element period, 1994-1999, the State and the region experienced a severely recessionary economy. Very little new private sector housing activity occurred during this period, and the period is not prognostic of future housing development activity.

Since the housing element was adopted, the economy has strengthened. A number of private sector housing projects have been proposed and some have been approved and are in implementation. These projects include single family and condominiums on vacant or underutilized parcels. In addition, the City of La Mesa has approved a specific plan for 59 units of affordable senior housing on an underutilized parcel located along one of the transit corridors. The City assisted the developer with the project application process and has committed up to \$1.9 million to the project to increase affordability. The City is also working with the transit agency to implement a regionally significant transit oriented development at the Grossmont Trolley Station. This project could potentially result in up to 400 new housing units.

Housing activity occurring since the adoption of the housing element is more indicative of the type of development the city anticipated in our analysis shown in Tables 20 and 21. The benefit of a strong economy is clearly evident. The City of La Mesa has done everything within its capacity to create an environment that is supportive of housing development and the private development community.

If the economy remains stable, new residential development will likely occur. The City has planned for and anticipates the construction of all types of housing units. Granny flats will be constructed in single-family neighborhoods. The Eastridge project will build-out to include 227 single-family dwellings. Infill development of attached housing will occur in the downtown neighborhood. Redevelopment of obsolete land uses and under-utilized parcels located along the commercial/transit corridors will include multi-

family housing and mixed-use development. A regionally significant TOD will be constructed at the Grossmont Trolley Station.

City of La Mesa's General Plan Housing Element Amended As Follows:

Page 38 – Add new section

Analysis of the Historic Development Pattern in the "Underutilized" Areas

Over the course of the prior planning period, there was no significant new residential development in the underutilized areas. For this reason, the historic development pattern is not indicative of future potential. The City's most recent experience in this area is a project proposed for a parcel on the edge of La Mesa's downtown district. A one-half acre lot, developed with an old warehouse, is proposed for redevelopment with 18 housing units and 2,000 square feet of commercial space. This proposal achieves a density of 34.6 units to the acre exclusive of the commercial space, and is an example of the type of development the City anticipates for other underutilized commercial and mixed-use areas.

HCD's Comment

The element should describe action the City will take to encourage development in the commercial corridors. Will the redevelopment agency be involved in the process, and if so, what actions will it take to facilitate development? While we think that the City may have enough sites to accommodate the regional share by income level, this additional information is needed to provide the needed assurance.

La Mesa's General Plan Housing Element Amended As Follows:

Pages 35 – 38 Housing Opportunities

With the exception of a small section located in downtown La Mesa, the commercial/transit corridors are not located in redevelopment areas. However, under specific circumstances, as prescribed by redevelopment law, RDA housing set-aside funds could be used to support affordable housing development in the commercial/transit corridors, outside of the redevelopment project areas.

The City Council has made a commitment to revitalize West La Mesa, an area that includes the University Avenue and El Cajon Boulevard transit/commercial corridors. The City has completed a "needs" assessment for the area to identify public improvement deficiencies and other significant community needs. Over the next year, the City will be constructing landscaping improvements on El Cajon Boulevard costing approximately \$2.0 million. The City has previously made extensive sidewalk improvements and undergrounded the utilities along these two streets. CDBG funds have been used to construct storm drain, street and sidewalk improvements in West La Mesa neighborhoods. A

detailed planning study is underway to address park and recreation needs in West La Mesa. The City has instituted a focused codes compliance program in West La Mesa. The City is working with the Transit agency to provide transit service improvements in West La Mesa. All of these programs and projects are examples of the City of La Mesa's commitment and public investment that have been made to encourage and facilitate new private investment and new housing development in the commercial/transit corridors.

Programs

HCD's comment

In general, all programs should include an objective and programs that include discrete action should include a specific target date for implementation, for example, programs 10, 4, 7 and 20. Programs 4 and 5 need greater commitment to implement. Given the analysis in the element the City should commit to using some portion of CDBG, HOME or RDA funds to implement the programs. According to the review of the previous element the mixed-use urban zone was not adopted. The Element should include a program to adopt this zone since the City is relying on these areas to provide opportunity for the development of housing. Moreover, the element states that projects are being developed at lower densities. Given the scarcity of vacant land we suggest the City encourage development at higher densities."

City of La Mesa's General Plan Housing Element Amended As Follows:

Page 59 Program 4 Comprehensive Neighborhood Revitalization Strategy

Target Dates

Annually Allocate CDBG funds to identified capital improvement projects located in eligible areas of west La Mesa.

Ongoing Continue to provide housing rehabilitation loans to eligible households located in west La Mesa.

Ongoing Continue to provide first-time home-buyer assistance to lower income households purchasing housing located in west La Mesa.

Ongoing Continue the activities of the West La Mesa Focus Group, to coordinate and improve the delivery of city services.

Page 61 Program 5 Multi-family Acquisition Rehabilitation

Target Date

On-Going The La Mesa City Council established this program in the Housing Element as a "place-holder". Over the past decade, staff has made several

attempts to enlist participation of apartment owners in the City's existing housing rehab program, but have been unsuccessful so far. The most recent attempt was in 1999 when the City of La Mesa published a NOFA/RFP for this program. None of the non-profits that had expressed an interest in this type of a program responded to the RFP. They were not able to find a willing seller. The current housing market is not favorable for short-term implementation of this project. However the program is included in the housing element, ready for implementation, if an opportunity arises to use it.

Page 62 Program 7 Conservation of Existing and Future Affordable Housing Programs

Target Dates
2002

Check status of Murray Manor Apartments including short and long-term plans of project owner.

Confirm continued availability of project based Section 8 assistance for Murray Manor through the San Diego County Department of Housing and Community Development.

Check with the Non-Profit Housing Federation regarding potential nonprofit housing organizations suitable for purchase/management of Murray Manor Apartments

Page 64 Program 10 Mobile Home Park Assistance

Target Dates

On-Going The trailer parks located in La Mesa are substandard and deteriorated and are not suitable for rehabilitation. The City will not use housing rehabilitation program funds for trailer park rehabilitation. However some of the parks could convert to other uses in the next decade if property owners are willing and market conditions are supportive. The City of La Mesa will comply with the requirements of State law at the time a trailer park owner proposes conversion.

City staff will review the HCD programs regarding assistance to jurisdictions that wish to purchase mobile home parks, to determine if this program is appropriate for implementation in La Mesa.

Program 13 - proposed dates for development of units and indication of households to be served - Lower? Moderate?

Program 13 - Downtown rebound effort community outreach

Page 65 Program 13 Facilitate the Development of Higher Density Housing

Target Date

On-Going The City of La Mesa, in a partnership with the Metropolitan Transit Development Board, has initiated a project to construct a mixed-use transit-oriented development at the Grossmont Trolley Station site. A preliminary land use plan and market study determined that the project is feasible. The City and MTDB have selected a developer and are currently in negotiations. As envisioned by the planning study, the project will support approximately 400 housing units.

The Grossmont TOD will be implemented over the next two or so years so that it will be completed around the time that the Mission Valley East Line makes its connection at the Grossmont Station in early 2005. The station improvements and the development will be constructed on approximately the same time schedule. It is still too early to tell what housing types will be included in the final project design, so it is impossible to project the number of units and household types served. However, the City of La Mesa will encourage and assist the project should the developer propose tax credits or other creative financing geared toward affordable housing production. The Grossmont Trolley Station site is located in a redevelopment area, so the Redevelopment Agency could consider tax increment in combination with other sources to subsidize affordable housing within the project.

On-Going The City is seeking Downtown Rebound Grant funds to conduct an implementation strategic plan for mixed use and transit-oriented development along the older commercial corridors in La Mesa. The plan would include feasibility studies, strategic action planning and an update of the zoning ordinance. The City has committed CDBG funds of \$15,000 to serve as the grant's "matching fund".

The City of La Mesa intends to incorporate community participation and outreach into the planning process. A minimum of three stakeholders meetings and two public hearings will be held. One of the primary goals of the implementation strategic plan is to build community support for and market interest in the revitalization of the transit corridors. Community participation and outreach will take place throughout the duration of the project and into the future.

Summer 2001 Receive notification that La Mesa's Downtown Rebound Grant Application has been selected for funding.

Fall 2002 Complete Zoning Ordinance Amendment.

Winter 2003 Initiate Marketing and Outreach Program

Page 68 Program 19 Lease-Purchase Affordable Housing
Target Date

Complete The City has allowed the County of San Diego to implement a Lease Purchase program in the City of La Mesa, in conjunction with the JPA formed by the County and other cities in the San Diego region.

Page 68 Program 20 Non-Profit Housing Development Corporations
Target Date

On-Going The City of La Mesa has developed a list of non-profit housing organizations. The City has issued a request for proposal for single-family acquisition/rehab and new construction. The City will continue to use the RFP process to solicit housing partners in the for-profit and non-profit sector.

The City has earmarked HOME funds and RDA funds to a 59 unit low-income senior housing project in a partnership with a private non-profit organization. Staff has assisted the developer with the preparation of two tax-credit application packages and an application for the Multi-family Housing Program funds.

U.C. BERKELEY LIBRARIES



C124877264